Rent well. Live well.

grainger plc

Annual Report and Accounts 2025

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Forward-looking statements

This Report may contain forward-looking statements with respect to certain plans and current goals and expectations relating to the future financial condition, business performance and results of Grainger. Further information about forward-looking statements can be found in the Shareholders' information section on page 185.

At Grainger we are passionate about delivering a great place to call home. Our 'Rent Well. Live Well.' proposition is about working continuously to make renting as easy and enjoyable as possible. To deliver on our purpose of renting homes and enriching lives.

p09 Read more about our great rental offer.

The Copper Works, Cardiff

Our year in review

REIT Conversion: A strategic transformation delivered

Following another year of continued strong performance, Grainger delivered its strategic transformation to become a Real Estate Investment Trust (REIT). This milestone demonstrates the fundamental reshaping of the business to become the UK's leading build-to-rent (BTR)[1] provider.

The conversion reinforces our excellent outlook and enhances our ability to deliver sustainable returns to Shareholders while continuing to provide high-quality rental homes for our customers.

Financial performance highlights

EPRA earnings[2]

+12%

£53.7m (FY24: £48.0m)

Net rental income

+12%

£123.6m (FY24: £110.1m)

Total dividend

+10%

8.31pps (FY24: 7.55pps)

Net asset value (EPRA NTA)

298p

(FY24: 298p)

1. Previously referred to as the private rented sector/PRS.
2. Pre-Tax.

The Kimmeridge, Oxford

Operational performance highlights

Like-for-like rental growth
+3.6%
(FY24: 6.3%)

Occupancy
98.1%
(FY24: 97.4%)

EBITDA margin
55.5%
(FY24: 53.7%)

Customer affordability (rent as a percentage of gross income)
28%
(FY24: 28%)

Rent paid on time
99%
(FY24: 99%)

Customer Net Promoter Score
+42pts
(FY24: +48)

Strong capital structure with low cost funding sources to support growth

- c.£900m of non-core, low yielding assets to recycle and reinvest capital into higher yielding BTR opportunities.
- Low cost debt locked in until FY29.
- Downward LTV trajectory over the medium term.
- Track record of strong operating cash flows of c.£200m+ per annum from operating activities and sales proceeds.

Market leading growth trajectory

- Continuing to target £60m pre-tax EPRA earnings by FY26 and £72m by FY29 from the delivery of our Committed Pipeline.
- Further growth opportunity from Pipeline Phases 2 (Secured) and 3 (Planning and Legals).
- Material EBITDA margin expansion to 60% by FY29.

Portfolio facts

A platform that consistently delivers strong operational performance

Modern:
Majority of BTR portfolio built after 2016

Energy efficient portfolio:
with 96% BTR portfolio with EPC ratings between A-C

Well located:
Investing in leading cities with great connectivity and convenience, where rental demand is greatest and growing

Value for money:
Mid-market pricing with added benefits, including Wi-Fi, Gyms, Co-working spaces and on-site resident services teams at no extra cost to our customers

A committed safety culture:
Our commitment to building safety informs our designs and operations


The Copper Works, Cardiff

Chair's statement

Dear Shareholders,
It is with great pleasure that I present my final annual statement as Chair of Grainger plc and I am pleased to report another year of excellent performance and strategic progress.

The Board visited our new site in Cardiff during the year and were incredibly impressed by what they saw and the dedication and enthusiasm of our on-site teams whose prime role is to look after our customers.

Delivering for Shareholders

Despite a challenging macroeconomic backdrop, including persistently high interest rates particularly affecting the listed real estate sector, Grainger has continued to deliver.

Our resilient, low-risk business model has once again proven its strength. We achieved exceptional occupancy at the end of the year at 98.1%, sustained rental growth of 3.6%, whilst maintaining healthy customer affordability.

Our disciplined capital structure, including a low cost of debt until FY29, has insulated us from the broader interest rate environment. As a result, we are pleased to announce another consecutive year of dividend growth (total dividend: 8.3pps, +10%), reflecting our commitment to delivering progressive returns.

This year also marked a pivotal milestone: Grainger's conversion to a Real Estate Investment Trust (REIT), further solidifying our position as the UK's leading listed residential rental investment business and enhancing long-term value for Shareholders.

We remain on track to deliver continued earnings growth over the coming years through the delivery of our Committed Pipeline. To support returns and continued earnings growth, the Board took the decision to focus on cost reduction and de-leveraging in the years ahead.

Delivering for our customers

Grainger has the UK's leading residential operating platform, underpinned by our CONNECT system and substantial data insight. This unrivalled platform not only continues to deliver for Shareholders, but importantly it delivers for our tens of thousands of customers.

Our focus on the delivery of a great customer experience is reflected in our outstanding Net Promoter Score of +42, placing us among the world's most trusted consumer brands. Nine out of ten Grainger residents say they "really like" their home and trust the Grainger brand. This reputation is built on our commitment to quality, service, and innovation, ensuring that all our customers across the UK feel valued and supported.

Delivering for our colleagues

We are equally committed to fostering a diverse, inclusive, and rewarding workplace. Grainger's recognition by the UK's National Equality Standard underscores our dedication to best-in-class practices. Our biannual colleague engagement survey is a key consideration for the Board and the Senior Executive team and leads to detailed action plans which have resulted in one of our highest scores to date for 'Outstanding' employee engagement. We are proud to be recognised as one of the UK's Top 50 Large Employers, a testament to our culture and values.

Delivering for the environment

Sustainability remains at the heart of our strategy. This year, our emissions reduction targets were validated by the Science Based Targets initiative, reaffirming our commitment to reducing our carbon footprint. We continue to enhance the energy efficiency of our portfolio, with 96% of our BTR properties now rated EPC A to C. These achievements demonstrate our commitment to responsible growth and environmental stewardship.

Delivering Live.Safe

We continue to build on our commitment to our health and safety culture and compliance with our Live.Safe strategy, achieving year-on-year improved high scores in our safety climate survey of colleagues. We are progressing well with the implementation of the new Building Safety Act requirements, ensuring that our buildings are safe for residents and colleagues.

Concluding remarks

In the last month the Government has passed legislation that covers the rental market in England and Wales. We welcome the passage of the Renters' Rights Bill, which we believe will raise standards across the private rented sector, while ensuring the market remains attractive to long-term, responsible investors like ourselves, and our existing high standards mean we are ready to implement these changes when they come into effect in 2026.

It has been an honour to serve as Chair of Grainger, an exceptional business that consistently delivers value to Shareholders, customers, colleagues, and communities. I am delighted to welcome Simon Fraser as Chair Designate. Simon brings extensive board-level experience in real estate investment and capital markets, and I am confident he will guide Grainger to even greater success.

When I look back over the last nine years I am amazed at the progress the Company has made in terms of the quality and number of the homes we provide, the experience and service we deliver to all our customers and the step change in financial performance achieved. This is a testament to the whole Grainger team and especially to Helen's leadership of the Company.

The Board continue to believe Grainger is well positioned for continued growth as the leader in its sector and I look forward to watching its progress in the years ahead.

Mark Clare
Chair
19 November 2025

Chief Executive's statement

Dear Shareholders,
Once again I am pleased to say your company has delivered another excellent performance with strong income growth, evidencing our resilience despite macroeconomic headwinds.

These challenging macro factors, including enduring high interest rates, are undoubtedly putting downward pressure on the listed real estate sector generally. However we are focused on what is in our control, such as growing income, managing costs, and enhancing our portfolio of high quality-homes.

Continuing to deliver excellent earnings growth

Portfolio expansion and strong operational performance delivered another year of strong earnings growth, with pre tax EPRA earnings up +12%. IFRS profit before tax was £102.6m (FY24: £40.6m) as a result of positive valuation movements.

Grainger operates in the UK housing rental market which continues to see a worsening supply shortage coupled with strong demand. Our sector-leading operational platform enables us to outperform and we delivered exceptional occupancy in the year of 98.1% alongside robust like-for-like rental growth of 3.6%, broadly in line with the long run average.

Our customer affordability level remains robust at 28% and customer satisfaction levels remain sector-beating with scores alongside global consumer brands.

Our capital structure is in a strong position with our average cost of debt at 3.3% and remaining low until FY29, with plans in place to reduce debt in the medium-term.

We will continue to recycle out of our low-yielding, non-core assets (primarily regulated tenancies) which will fund the remaining spend in our Committed Pipeline and enable us to reduce net debt by between c.£300m-£350m by FY29 to support ongoing earnings growth.

Chief Executive's statement continued

28%
Grainger customer affordability ratio

Grainger is therefore well positioned to continue to grow and deliver Shareholder value. Our £343m Committed Pipeline, with only £130m remaining to spend, will grow earnings significantly. We continue to target £60m earnings (pre tax EPRA basis) by FY26 and £72m by FY29 in line with prior guidance.

In addition, we have a significant pipeline of future opportunities which provides us optionality to accelerate growth in the future.

Strategic transformation culminating in REIT conversion

It is almost 10 years since I set out our build-to-rent (BTR) strategy and our ambition to deliver for Shareholders a company with resilient earnings in an undersupplied market. We laid out a path toward transforming Grainger into a focused, simplified residential rental investment business and over the past 10 years we have delivered:

- +14% 10yr CAGR in Net Rental Income
- Significantly increased EPRA earnings to £54m
- Increased EBITDA margins by nearly 3 times from 19% to 56%
- Increased dividend per share by +202%, 20 consecutive periods of growth, distributing c.£345m to Shareholders over the 10-year period
- Improved customer satisfaction by 2.75 times or +66pts since we first measured NPS in 2017

We have disposed of £1.9bn of non-core assets over the 10-year period and have invested to create from scratch our BTR portfolio which now stands at £2.9bn and 11,078 homes, serving more than 25,000 customers.

This major transformation focusing on growing recurring rental income has enabled us to convert to a Real Estate Investment Trust (REIT) this year, which requires at least 75% of assets and profits to come from rental investments.

REIT status will enhance Shareholder returns and importantly will not impede our growth trajectory. Our business model and strategy remains unchanged.

Grainger has a compelling investment case:

- Low risk asset class with resilient growth
- Strong market fundamentals
- Strong customer base with positive outlook for rental growth
- Certain and supportive regulatory outlook
- Sector leading portfolio and operational platform underpinned by data insight

Residential rental: Low risk asset class with excellent growth prospects

Residential rental has some of the most defensive characteristics of any real estate asset class. Both residential rents and capital values have outperformed commercial real estate for the past twenty years. Residential rents, on average, outperform inflation. The net asset value of our portfolio has proven resilient again this period, backed up by sales. Over the past five years despite increased interest rates the net asset value of our portfolio has increased +5.0%.

Strong market fundamentals

A worsening supply shortage with a current deficit of 4.3m homes nationally contrasts starkly with a growing population of renters.

Only 2.5% of the rental market is BTR with the remainder mainly made up of small, private landlords who continue to exit the sector. At the same time, demand for renting continues to grow with Savills forecasting 20% growth in demand for the 10 years to 2031.

Strong customer base

Our customer base is diverse and robust. Customer affordability remains stable and healthy at 28%, and our customers are employed across a broad range of sectors and job types.

A certain and supportive regulatory outlook

There is a strong political and societal push toward greater professionalisation. In October this year the Government passed the Renters' Rights Bill. We now have certainty over the regulatory outlook for our market and we have confirmation that this Government fundamentally opposes any form of rent controls. We are well positioned to thrive in this new legislative environment.

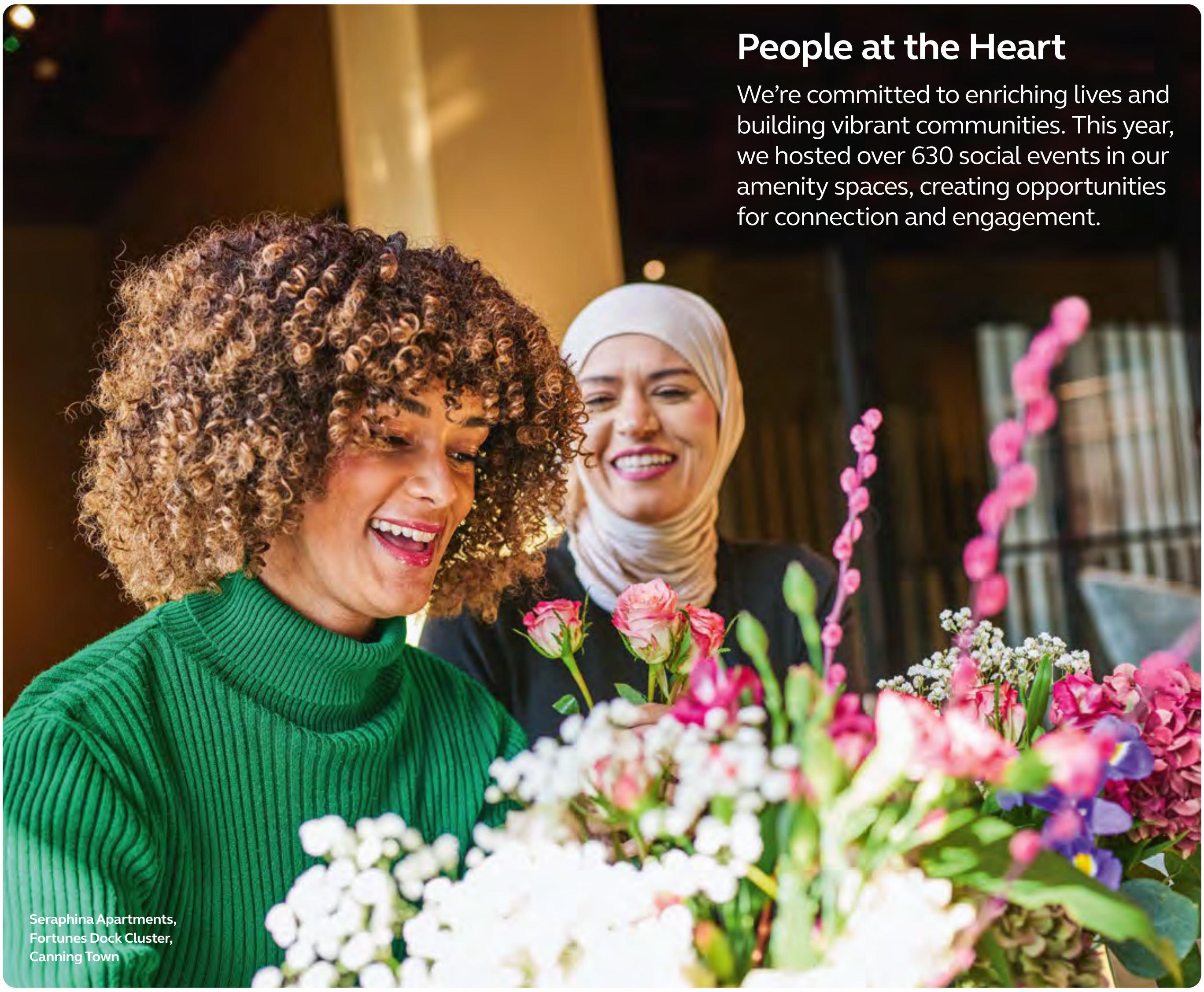
All these factors provide a strong foundation for Grainger's continued future success.

A market-beating strategy with a sector leading portfolio and operational platform underpinned by data insight

Grainger's BTR strategy is to invest in and provide mid-market rental homes in locations with the greatest demand and shortest supply.

We own and manage all our properties directly. We are responsible for the customer relationship and this overall approach allows us to outperform.

> "Grainger is well positioned to continue to grow and deliver Shareholder value."
>
> **Helen Gordon**
> Chief Executive



People at the Heart

We're committed to enriching lives and building vibrant communities. This year, we hosted over 630 social events in our amenity spaces, creating opportunities for connection and engagement.

Seraphina Apartments, Fortunes Dock Cluster, Canning Town

It allows us to fully understand our customers, their preferences and drivers and respond accordingly. Our technology platform, CONNECT, enables us to manage a large portfolio efficiently and effectively.

Our sector-leading operational platform is focused on delivering great service to customers and great value for Shareholders.

Delivering outperformance

Our strategy has proven that it delivers. We continue to achieve high occupancy and responsibly drive rental growth year-on-year.

This in turn delivers shareholder returns. EPRA Earnings were up +12% this year, after a 24% increase last year. And this growth will continue.

From the delivery of our Committed Pipeline, after assuming a full rebasing of our debt costs to a higher rate, we expect to grow EPRA earnings significantly to £72m by FY29.

The portfolio continues to demonstrate its resilience with valuations stable and EPRA NTA resilient at 298p per share. The value of our portfolio (EPRA NTA) is up +5.0% over the past five years despite the high interest rate environment. This is amongst the highest in the real estate sector, evidencing our resilience. And our accelerated disposals programme reaffirms the value of our portfolio with a high volume of varying asset types being sold in line with valuations. Over the last three years, we have sold £640m of non-core assets.

Due to the strength of Grainger's ongoing performance, we are proposing a final dividend of 5.46p per share, which brings our total dividend for the year to 8.31p, a +10% increase.

A leading approach to the workplace, communities and environment

We are committed to being a great place to work. Our recognition by the National Equality Standard reaffirms this commitment.

Equally, our colleagues confirm that Grainger is a great place to work. This year we achieved our highest ever employee engagement score, securing two out of three stars for being an 'Outstanding' workplace by the independent assessor Best Companies, and placing in the Top 50 best places to work in the Large Company category.

Our high performance and inclusive culture is central to Grainger's continued success and strength.

Over the year, we partnered with over 30 local charities, giving both colleagues and customers the opportunity to give something back to their local communities. Much of our charitable efforts focus on housing and homelessness, aligned to our business. One standout initiative is our partnership with the youth homelessness charity, LandAid, and our involvement in their BTR Pathfinder programme, which sees us pledging accommodation to support young people at risk of homelessness.

Chief Executive's statement continued

To date, we have supported three young people to give them a home in our communities from which to start living independently.

We have for many years also taken a sector leading approach to sustainability. I am pleased to report that this year our emissions reduction targets have been validated by the globally recognised Science Based Targets initiative (SBTi) and align to the 1.5 degree climate commitment by the UK Government and the Paris Agreement.

Because of our strong sustainability credentials, we have now been added to the Dow Jones Best-in-Class Indices for Europe for 2025, supplementing our high ratings in a number of other benchmarks. And I am pleased to report that 96% of our BTR portfolio now has EPC certificates of between A to C, providing our customers energy efficient homes.

An excellent, positive outlook

As I first mentioned, what we have in our control is in excellent shape and we intend to ensure this remains the case.

A focus on capital allocation and delivering shareholder value

With current expectations of high interest rates remaining, we are focusing our attention on the imminent delivery of our Committed Pipeline and delivering our guided EPRA earnings target of £72m by FY29. Our other priority is to reduce net debt in order to mitigate against the impact of higher interest rates.

These initiatives are both deliverable because of our successful ongoing disposals programme.

We are equally focusing our attention on costs, particularly central overheads. Our platform has been designed for growth and scale, and as the pace of our acquisitions naturally settles to align to the prevailing market conditions, it is important we manage costs appropriately in the interim. We therefore have plans in place to ensure central costs are as efficient as possible and sized appropriately for the scale and nature of our portfolio.

With this front footed approach, we will maintain the strength of our market positioning to enable us to accelerate growth swiftly in the future.

I would like to thank the Board of Grainger and particularly our Chair of the last nine years, Mark Clare, for his unwavering support of our strategy and for his guidance and insights he has given me and the senior leadership team of Grainger. His support has been invaluable. I would also like to thank Justin Read, our Senior Independent Director, for leading the search for our Chair Designate, Simon Fraser. I look forward to working with Simon.

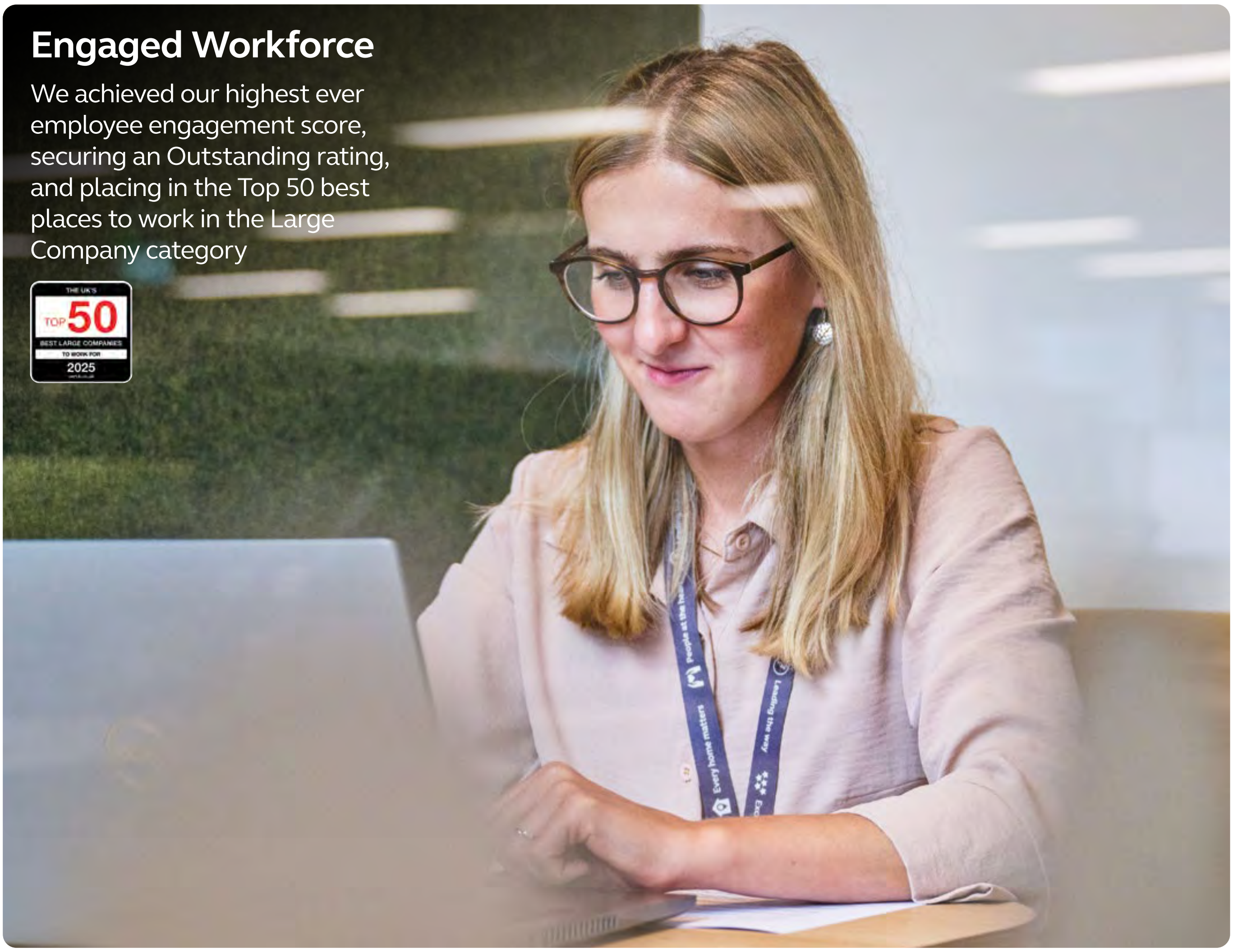
Finally, I would like to thank my colleagues, an exceptional team who have once again delivered for you.

Helen Gordon
Chief Executive Officer

19 November 2025

Engaged Workforce

We achieved our highest ever employee engagement score, securing an Outstanding rating, and placing in the Top 50 best places to work in the Large Company category



Grainger's core purpose is to rent homes and enrich lives. We consider all our stakeholders in our decision-making.

We are committed to providing good quality homes to rent that are safe, well maintained and with great connectivity. We are creating communities where people can truly feel at home and delivering excellent service and value.

Windlass Apartments, Tottenham Hale


FORTUNES
DOCK
grainger

"The team are awesome and always ready to help with a smile on their faces."

Ben,
Grainger customer

We enrich the lives of our customers by providing an exceptional service from day one. Whether logging a repair on our easy-to-use customer app, accessing the 24-hour gym in the middle of the night, or picking up a parcel and having a friendly chat with the resident services team, we make living easy, convenient and hassle-free.

"The location is fantastic, easy access to public transport, shops and nearby attractions."

Abhinandan,
Grainger customer

We invest where our customers can thrive, choosing locations that offer the best of connectivity, convenience and quality of life.

Through a robust, research-led process, we have identified the best places to invest in and build our homes, ensuring our customers are well connected to all their needs and wants.

With an average Walk Score of 87/100, our homes are close to transport hubs, employment centres, local amenities, and cultural and recreational facilities, keeping our customers connected to the things they value most.

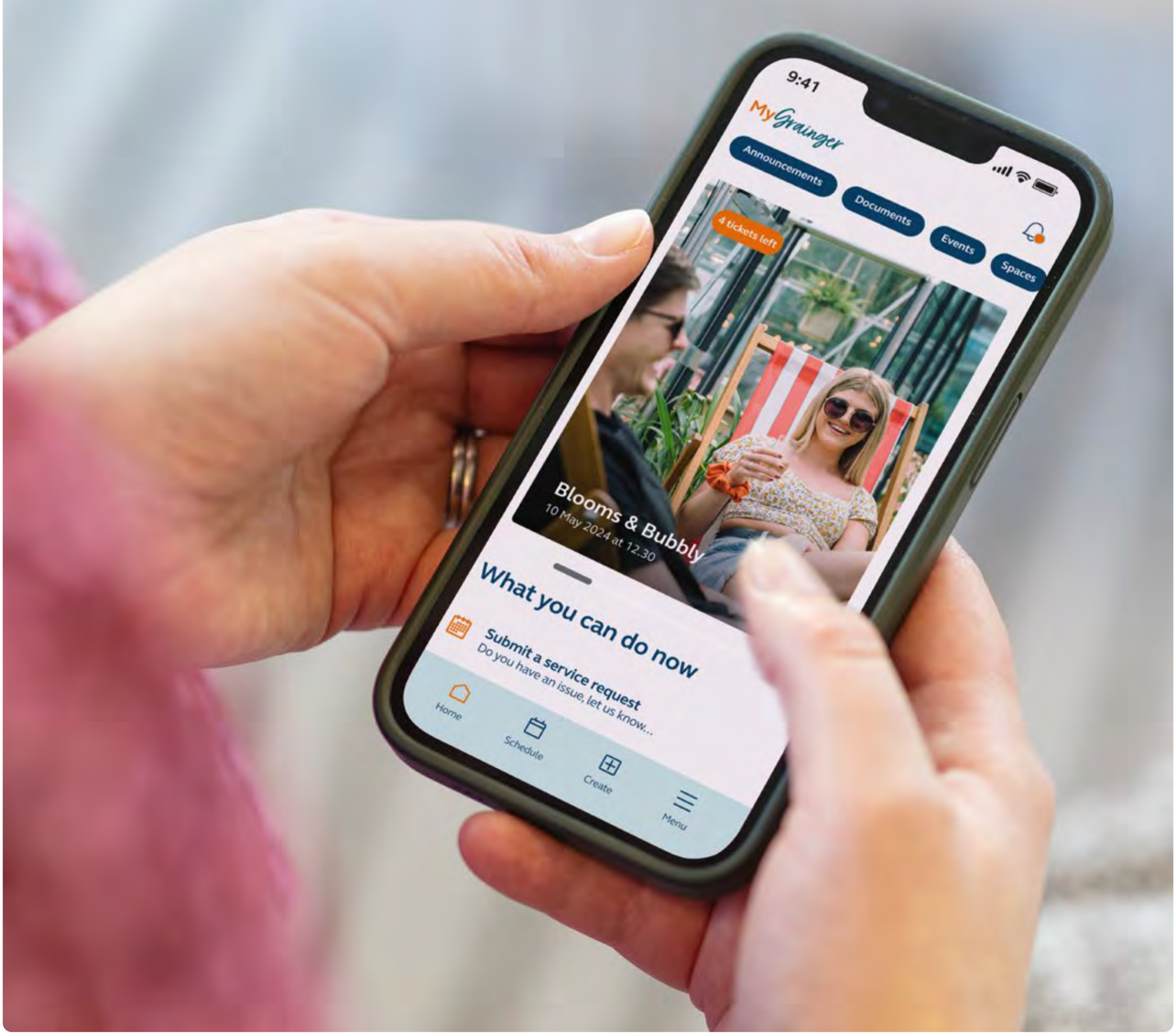
From the moment a customer chooses to rent with Grainger, they are instantly connected. Customers deal directly with the Grainger team throughout the tenancy lifecycle - from initial enquiry, to move-in, right through to move-out – with no middlemen.

Customers also enjoy superfast Wi-Fi as standard from day one in most of our properties. Through our user-friendly customer app, they can book home repairs, hire amenity spaces, sign up to resident social and community events, and even buy and sell clothes, furniture and home accessories through the app's marketplace.

Our well-connected homes and customers create vibrant communities in all of our buildings.

"The resident app is a fantastic feature – it works flawlessly."

Tatyana,
Grainger customer



We believe in creating happy and healthy communities within our buildings.

By engaging with our customers, partners, colleagues and wider local community, we have created a varied programme of social, charitable and community events across our buildings.

From living greener articles and healthy living tips on the customer app, to charitable donation schemes and local charity partnerships through to social events throughout the year including summer parties, book clubs, painting evenings and after school clubs, customers can get involved in as much or as little as they like and feel part of the Grainger community.

"I can't imagine being anywhere else! I've made so many friends."

Grace,
Grainger customer

Grainger Gather resident event: Clippers Quay, Salford

"It's not just an apartment; you can make it a real home."

Henry,
Grainger customer

Seraphina Apartments, Fortunes Dock Cluster, Canning Town

We pride ourselves on giving customers more than just a home. We want them to feel like they can put down roots and stay with us for the long-term.

By offering customers the opportunity to personalise homes, work flexibly in our co-working spaces, enjoy bookable spaces such as private dining rooms and roof terraces with family and friends, and take part in social events throughout the year, we believe we are delivering great places to live and call home.


"We managed to find the flat of our dreams that felt equally safe and secure!"
Nevaeh,
Grainger customer
Millwrights Place, Bristol

We put the safety, security and wellbeing of our customers first. Our homes meet high standards, with robust security, regular checks and proactive maintenance, so residents can live comfortably with complete peace of mind.

We design and operate homes that are efficient and sustainable, enabling our customers to save on energy costs. Low carbon technologies such as solar panels and heat pumps, improved insulation and 100% renewable electricity all help to reduce energy use, cut costs and support the achievement of our science-based emissions reduction target by FY30.

Our buildings are accessible and inclusive, with step free access, adaptable layouts and shared spaces that bring people together. By combining safety, sustainability and inclusivity, we create communities where everyone feels welcome, connected and proud to belong.

We are in great shape

We are the UK's leading residential REIT.
We develop, own and operate rental homes across the country.

1912
Established in Newcastle

25,000+
Customers

11,078
number of homes in operation
(FY24: 11,069)

4,371
homes in our pipeline
(FY24: 4,730)

Our portfolio

Our strategic transition to BTR
(investment value)

BTR
9,874 homes
● 89%

Regulated tenancy
1,204 homes
● 11%

See page 20 for details of our portfolio

Build-to-rent Homes

We own and manage 9,874 privately rented homes which are predominately purpose-built, modern and energy efficient known as build-to-rent (BTR). In addition, we have a £1.3bn pipeline which represents an additional 4,371 new BTR homes in our target towns and cities.

9,874
Operational BTR homes
(FY24: 9,443)

98.1%
High occupancy
(FY24: 97.4%)

Seraphina Apartments, Fortunes Dock Cluster, Canning Town

Regulated tenancy homes

We own and manage 1,204 homes subject to regulated tenancies where the tenants have the right to reside for life and rents are set by a third-party rent officer every two years. Rents are typically below the open market. The capital value of these properties is less than their vacant possession value. We sell these properties when they become vacant, capturing their full value, and we are also recycling out of these properties before vacancy, where their returns outlook justifies early disposal. The disposals from these low-yielding, non-core assets are funding our investment in newer, higher yielding BTR assets.

Mitre Road, Waterloo

Portfolio growth

We have multiple routes to continue to grow our portfolio including a significant pipeline of potential investment to deliver new BTR homes in our key target cluster locations.

Routes to growth

Acquire existing assets + Asset repositioning opportunities + Development & Forward Fund + Strategic joint ventures and partnerships

Development pipeline

Pipeline
£1.3bn
total

Delivery underway	Optionality to progress	Opportunities for the future
£343m Committed 954 homes	£541m Secured 2,044 homes	£393m Planning/Legals 1,373 homes

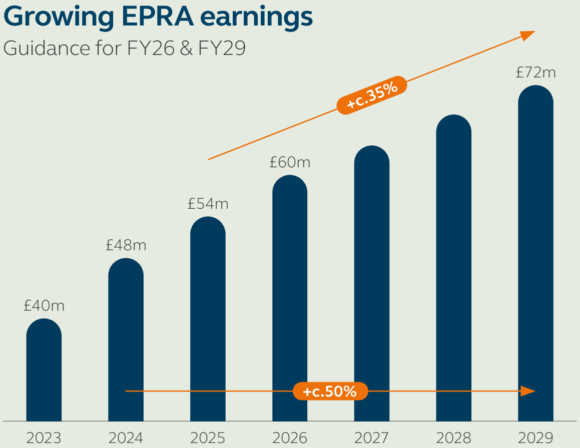


Our committed pipeline will deliver significant earnings growth

Our development pipeline will drive significant earnings growth. The committed pipeline will deliver significant EPRA earnings growth to £60m (8.1pps) by FY26 and £72m (9.7pps) by FY29, even after assuming a full rebasing of our cost of debt to higher interest rates. (See page 24 for more details.)

Growing EPRA earnings

Guidance for FY26 & FY29



Our portfolio

North West
(Manchester & Liverpool)
1,785 Operational homes

North East (Newcastle)
327 Operational homes

Yorkshire
(Leeds, Sheffield)
1,022 Operational homes

East & Midlands
(Birmingham, Derby, Nottingham)
1,310 Operational homes

South West & Wales
(Bristol, Cardiff, Exeter)
1,290 Operational homes

London (See overleaf)
2,916 Operational homes

South East
(Guildford, Southampton)
2,428 Operational homes

National rental portfolio

Our national portfolio is specifically targeted at locations with high demand, significant housing shortages, and strong growth prospects.

11,078
Operational homes

£3.5bn
Portfolio value

4,371
Pipeline homes

£1.3bn
Pipeline

Key
Operational homes

Geographic breakdown of our total operational portfolio by number of homes

13%	Central London
13%	Outer London
18%	South East
9%	South West
16%	East & Midlands
16%	North West
15%	Other regions

London rental portfolio

We continue to invest in new homes in our target locations, including in partnership with public sector organisations, including Transport for London (TfL).

2,916
Operational homes

£1.4bn
Portfolio value

2,215
Pipeline homes

£0.6bn
Pipeline

North London
39 Operational homes

North East London
348 Operational homes

East London
803 Operational homes

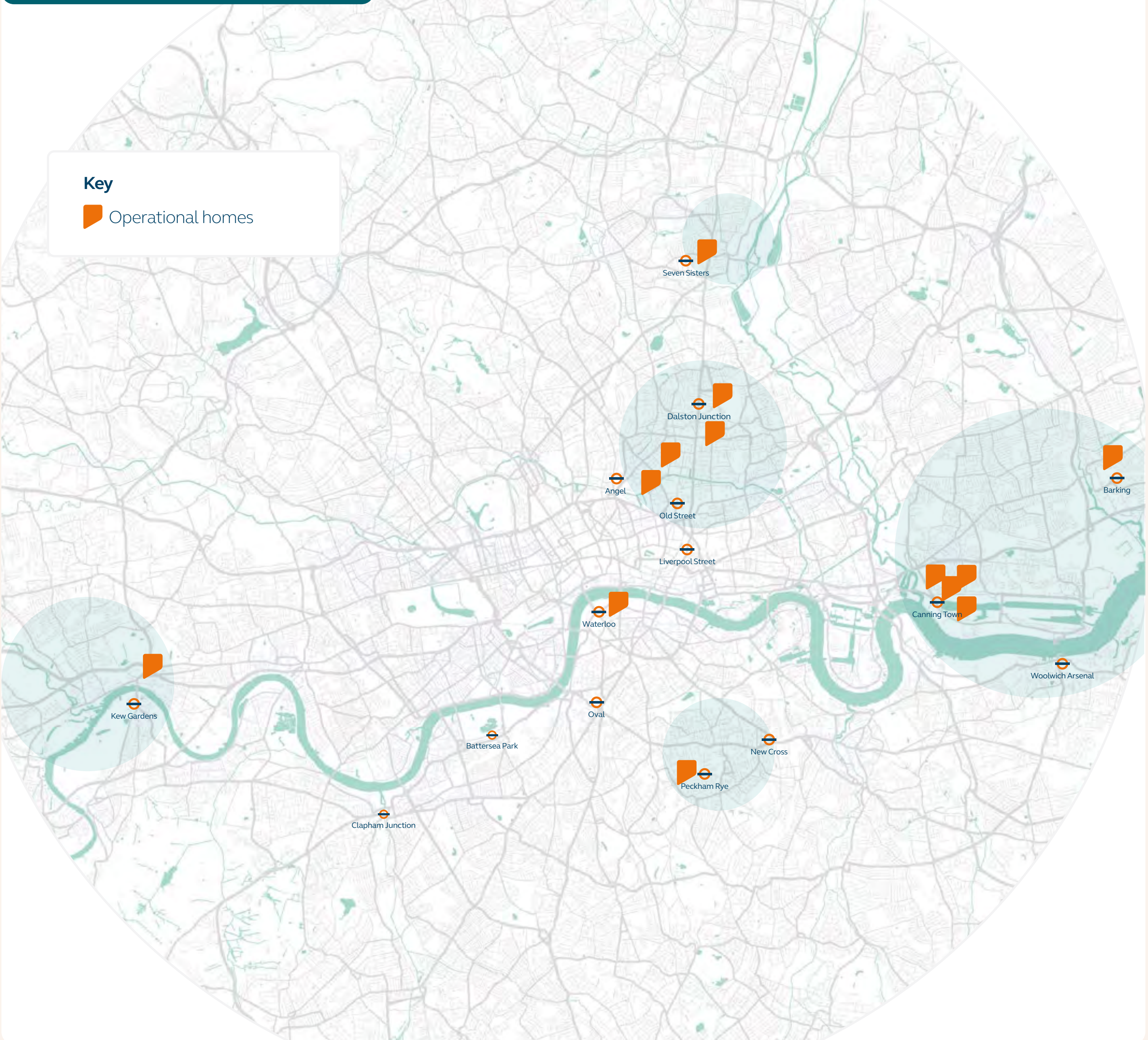
London City Fringe
386 Operational homes

South East London
237 Operational homes

Inner London
406 Operational homes

West London
274 Operational homes

South West London
423 Operational homes



Our market

Defined by growing rental demand and ongoing undersupply

Solid market fundamentals

4.3m

A severe housing shortage of 4.3m homes

(Source: Centre for Cities (2023))

A growing population

+20%

Rental demand, estimated by Savills to grow 20% in the 10 years to 2031

2.5%

Highly fragmented rental market, dominated by small landlords with BTR representing only 2.5% today, but growing

(Source: ONS (2025), NISRA (2024/25), BPF and Savills (Q3 2025))

Highly constrained supply, with housing deliveries down and small landlords exiting the sector

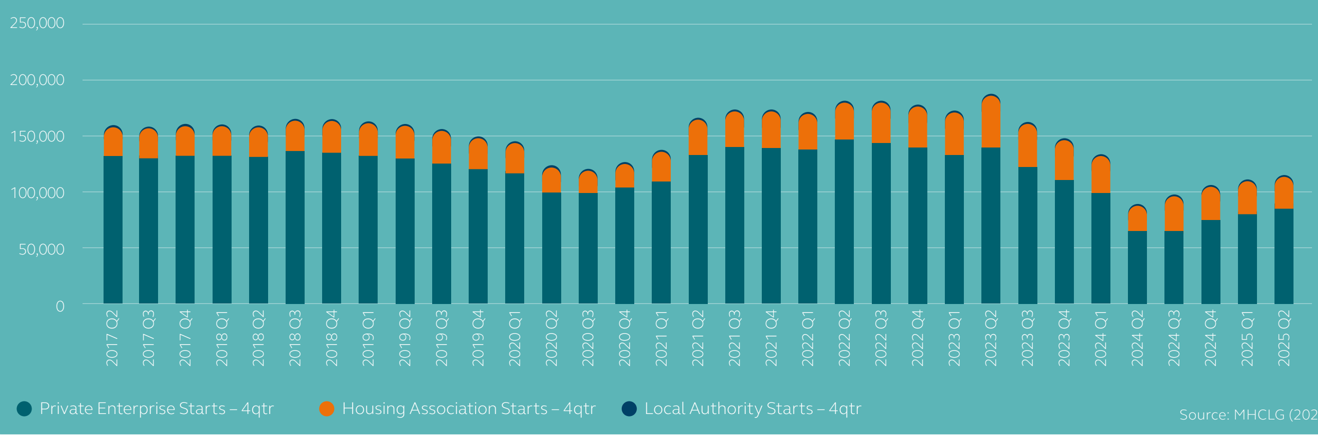
Seraphina Apartments, Fortunes Dock Cluster, Canning Town

Housing supply constraints will provide further tailwinds

Housing starts in our core markets have continued to decline, which will lead to housing completion figures reducing over the next few years. Continued population and economic growth will also underpin our market. We therefore expect average rental growth to be broadly in line with the long-run rental growth trends of circa 3-3.5% per annum.

Grainger, with our strategic partnerships such as with Transport for London (TfL), Network Rail and the Ministry of Defence, along with our expertise and fully integrated approach to developing, owning and managing, allows us to navigate these challenges and continue to deliver new homes.

England housing starts – 4 quarter rolling total



Source: MHCLG (2025)

The residential sector is a total return growth stock

Although residential property typically has a lower initial yield than commercial property, it is important to bear in mind that it has very different growth and risk profiles.

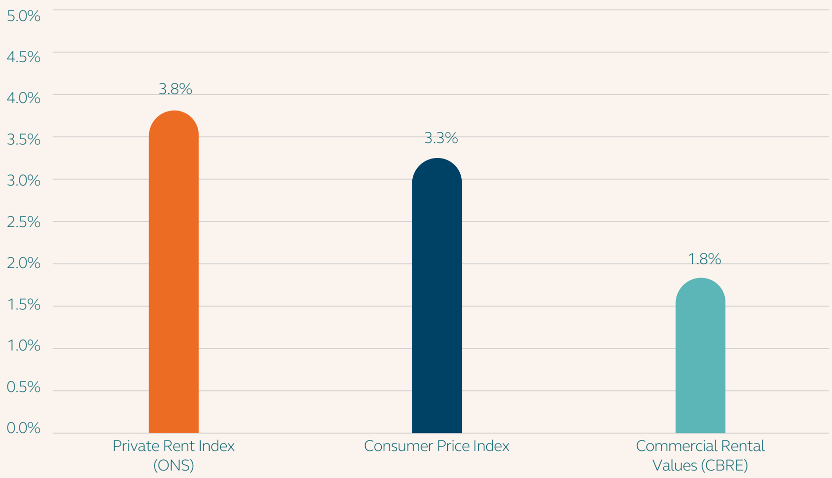
Over the past ten years, residential has achieved rental growth of almost 4% per annum; above the Consumer Prices Index (CPI).

In contrast the commercial sector has delivered growth of more than 100bps per annum below CPI.

Compared to commercial real estate with higher initial yields but lower growth prospects, residential trades at a high income multiple because of its growth characteristics.

The link to “human need”, as opposed to “human want” means that during downturns our sector rarely sees rental growth turn negative, with volatility overall far lower, giving a notably lower risk profile than other real estate asset classes.

10-year growth, per annum to September 2025



Source: ONS (2025), CBRE (2025)

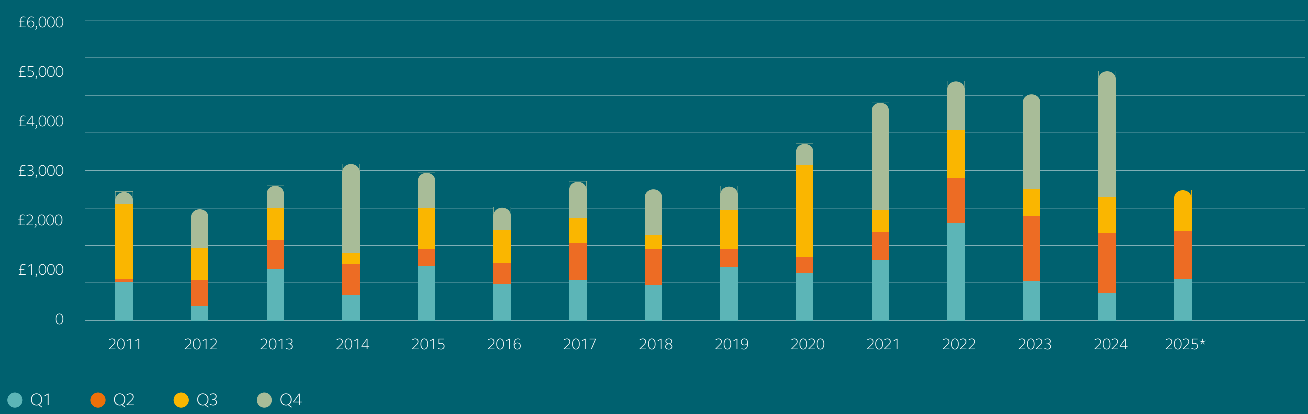
Investment volumes remain robust, underlining the strength of institutional interest in the sector

Despite the notable fall in housing starts – and the rises in market interest rates seen in recent years – it is telling that investment volumes in our sector have continued to grow year-on-year; demonstrating the attractiveness of the income stream to major global institutions.

Savills data shows £2.6bn of investment into BTR in the first three quarters of 2025, ahead of 2024’s figure of £2.5bn, whilst we continue to see major institutional investors from home and abroad attempting to find routes into the sector.

With Savills projecting a 20% growth in rental demand over the 10 years to 2031, an additional 800,000 to 1 million rental households, this would require an estimated investment of £300bn in order to meet this demand. This investment activity and outlook underpins valuations and liquidity in our market.

BTR Investment Volumes



*Q4 data not available at time of printing

Source: Savills

Our value creation model

We are focused on delivering high-quality sustainable growth

Great homes with outstanding service drives high customer satisfaction, increased occupancy, stronger rental growth, and enhanced asset valuations. This generates market-leading returns for our Shareholders and long-term value for all our stakeholders.

Structural Market Tailwinds

A strong financial footing

Sources of funding:

£129m
Passing Net Rent

£86m
Cash flow supported by disposals from our non-core portfolio

c.£900m
Non-core assets for disposal, a key funding source

3.3%
Average cost of debt

Pipeline
£1.3bn
total

Delivery underway	Optionality to progress	Opportunities for the future
£343m Committed 954 homes	£541m Secured 2,044 homes	£393m Planning/Legals 1,373 homes

Shareholder value

+12%
EPRA earnings

+10%
Dividend growth

298p
EPRA NTA

Excellent, risk adjusted returns

Other stakeholder value

Customers
+42 pts
Net Promoter Score (NPS)

Local communities
631 events
Held in our buildings

Suppliers
50%
Spent locally (within 5km)

Colleagues
Outstanding
employee survey score

Government
4,371
new homes in pipeline

Our Strategy

Grow rents

Simplify and focus

Build on our experience

Planning, design and delivery

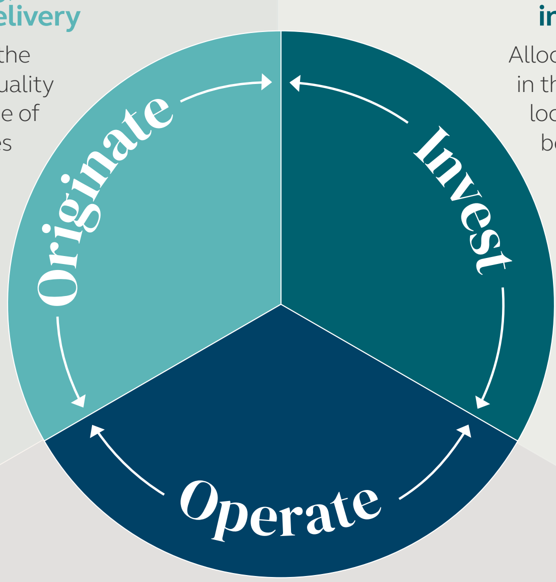
Controlling the delivery and quality of our pipeline of new homes

See page 26

Research-backed investing

Allocating capital in the strongest locations and best assets

See page 26



Scalable platform

Through technology, our market leading operating platform is scalable to support our continued growth

See page 27

Inflation + Rental Growth

+

Expanding EBITDA margin

Our value creation model continued

Invest

Using research to drive capital allocation

We allocate capital using a dual-layered research approach.

We first conduct a top-down analysis at the local authority level evaluating economic structure, housing markets, and demographics to identify areas with strong business sectors and educated renters. We then perform bottom-up micro-location analysis using a geographical information system (GIS) to assess rental markets, demographics, and proximity to amenities, jobs and leisure.

This rigorous process ensures investments are made in cities with long-term growth potential and neighbourhoods that appeal to target customers, delivering enduring value and strategic advantage.

Originate

The expertise to deliver quality homes from our pipeline

Planning

Our in-house Development Team gives us full control over the planning, design, and delivery of our homes. This ensures high-quality outcomes and enables us to meet rigorous standards for efficiency, sustainability, and customer appeal.

Design

We design our homes and buildings with our customers in mind, creating desirable spaces with layouts and amenities that reflect modern living needs.

Delivery

Leveraging our fully integrated model and in-house expertise, we deliver high-quality, efficient homes across the UK, tailored to meet the evolving needs of renters.

Operate

The market-leading BTR operating platform

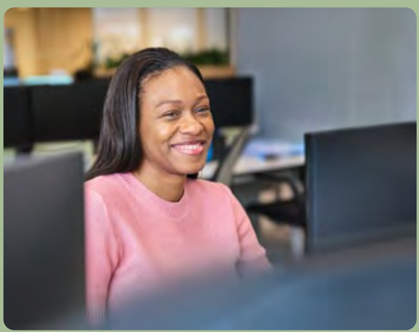

Efficient
Our operating platform sets us apart from the competition. We directly lease and manage our properties and have a direct relationship with our customers from the outset.

Great service
We know what it takes to manage a building efficiently, but also what it means to deliver great service and, importantly, value to our customers.

Scalable
Our platform has been designed for growth, powered by our CONNECT technology, and can manage a portfolio multiple times the size, supporting our growth ambitions and leading to significant EBITDA margin expansion.

A leading approach to Sustainability

We are committed to being a responsible business




People
We put people at the heart of everything we do and are committed to being a great employer, a great landlord, and to delivering long-term social value to our communities.

Assets
We design and create quality homes with high standards of sustainability that attract and retain customers and helps to deliver long-term value to our stakeholders.

Environment
We are committed to reducing our environmental impact and protecting the long-term future of our business, including achieving our science-based emissions reduction target for 2030.

Read more about our people Page 38

Read more about our assets Page 44

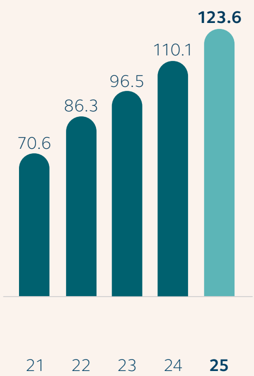
Read more about our environmental impact Page 46

KPIs

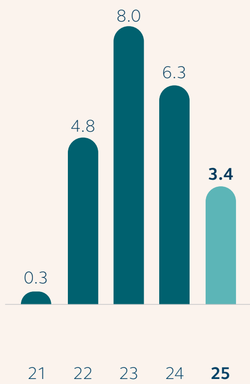
Driving income returns

Our key performance indicators (KPIs) are aligned to the business strategy. These measures are used by the Board and Senior Management to actively monitor business performance.

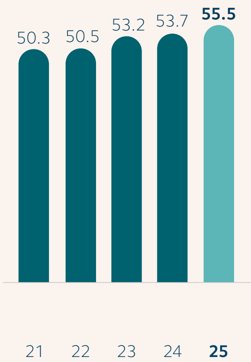
Net rental income
(£m)



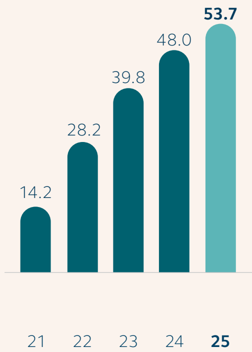
BTR rental growth
(%)



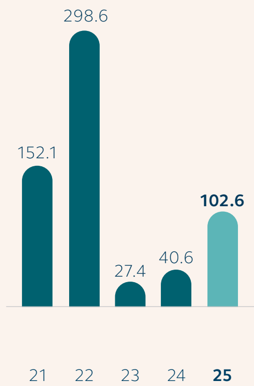
EBITDA margin
(%)



EPRA earnings
(£m)



Profit before tax
(£m)

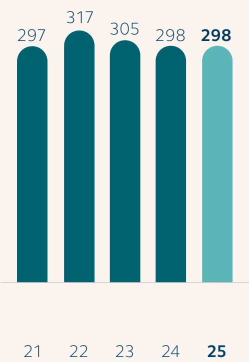


	Net rental income	BTR rental growth	EBITDA margin	EPRA earnings	Profit before tax
KPI definition	Gross rental income after deducting property operating expenses.	Like-for-like average growth of rents across our BTR portfolio.	EBITDA Margin is defined as earnings before interest, depreciation, amortisation and tax, excluding liquidated and ascertained damages, divided by Revenue.	EPRA earnings are the recurring income from the Company's property portfolio excluding property revaluations, gains/losses on investing and trading property disposals and changes in the fair value of financial instruments.	Profit before tax is a statutory IFRS measure as presented in the Group's Consolidated Income Statement (including valuation movements).
Comment	Increase of 12% due to a combination of strong delivery of pipeline schemes launches (£17.7m), strong like-for-like rental growth (£2.1m), offset by disposals (£6.3m).	3.4% like-for-like growth in our BTR rental income driven by our strong leasing performance, reflecting strong demand for our product.	EBITDA margins saw an 180bps increase to 55.5% due to the operational leverage benefits of strong net rental income growth.	Increase of 12% due to strong growth in net rental income combined with a focus on cost efficiency.	Increase of 153% driven by a 12% increase in net rental income and valuation gains.
Link to strategy	Grow rents	Grow rents	Grow rents, Simplify and focus, Build on our experience	Grow rents, Simplify and focus, Build on our experience	Grow rents, Simplify and focus, Build on our experience
Notes	See Note 6 to the financial statements.	As defined in the Glossary on page 186, specific to BTR assets only.	As defined in the Glossary on page 186.	EPRA earnings is reported on a pre-tax basis.	See Consolidated Income Statement on page 132.

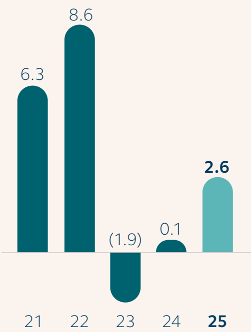
Link to strategy Grow rents Simplify and focus Build on our experience

Delivering capital returns

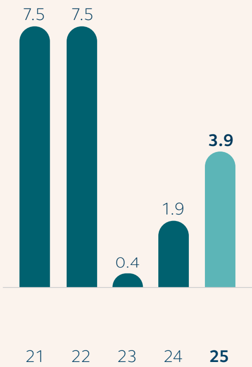
EPRA NTA (pps)



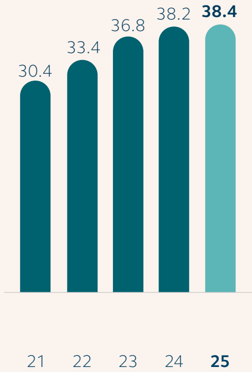
Total Accounting return (%)



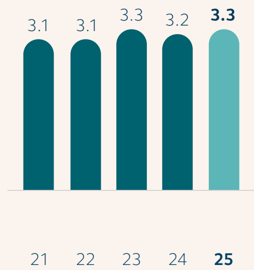
Total Property Return (TPR) (%)



Loan to value (LTV) (%)



Cost of debt (average) (%)



	EPRA NTA	Total Accounting return	Total Property Return (TPR)	Loan to value (LTV)	Cost of debt (average)
KPI definition	EPRA NTA (Net Tangible Assets) is the market value of property assets after deducting deferred tax on trading assets, excluding intangible assets and derivatives.	The growth in the net asset value of the Group plus dividends paid in the year, calculated as a percentage of the opening net asset value.	TPR is the change in gross asset value (net of capital expenditure), plus property related net income, expressed as a percentage of opening gross asset value.	Ratio of net debt to the market value of properties on a consolidated Group basis.	Average cost of debt for the year including costs and commitment fees.
Comment	EPRA NTA was flat at 298p per share reflecting the resilience of our asset class.	TAR was a 2.5% increase on the prior year as NTA was flat for the year.	Returns of 3.9% demonstrating strong operational performance combined with a 0.7% valuation increase.	LTV was broadly flat on the prior year at 38.4%.	Average cost of debt remaining relatively flat at 3.3%
Link to strategy					
Notes	See page 34 for further detail on EPRA NTA and page 180 for EPRA performance measures.	As defined in the Glossary on page 186.	See Alternative Performance Measures on page 123 for calculation.	See Alternative Performance Measures on page 123 for calculation.	See Note 27 to the financial statements for further detail regarding capital risk management.

Link to strategy Grow rents Simplify and focus Build on our experience

Non-financial/Sustainability KPIs

Our customers and communities

We continue to invest in our Customer Experience Programme demonstrating our commitment to our customers and communities.

We continue to enhance our customer offering and are creating thriving communities that enrich the lives of the people within them, enabling us to attract and retain customers and benefit the local communities we work in.

+42pts
Customer Net Promoter Score

28%
Customer affordability ratio

631
resident and community events

Our people

We put our people at the heart of everything we do. We positively engage with our colleagues and continue to invest in the wellbeing and development of our people.

Our 'Outstanding' rating in our independent employee engagement survey confirms that we have a highly engaged and happy workforce.

Outstanding
rating by colleagues in our annual survey by Best Companies

88%
High response rate to our employee engagement survey

90%
Colleagues who provided their ED&I data, demonstrating high levels of colleague engagement

Our impact on the environment

Continuing our progress in measuring emissions and delivering reductions, we achieved a significant milestone in the year with the successful validation of our new emissions reduction target by SBTi.

We continue to engage with our customers, our suppliers and our industry to support the successful implementation of our environmental commitments.

-24%[1]
reduction in Scope 1-2 carbon emissions (location-based)

-46%[1]
reduction in Scope 3 carbon emissions intensity per m^2

96%
EPC ratings A to C (for BTR properties)

1. Target validated by SBTi. Progress reported vs FY23 baseline. Scope 3 target includes emissions from Capital goods and Downstream leased assets per m^2 residential floor area.

Financial review

FY25 saw another strong year of growth in net rental income and earnings, with good visibility of further growth to come. Strong occupational markets with occupancy at 98.1% and like-for-like rental growth of 3.6% combined with our pipeline deliveries saw total net rents grow by 12%. This resulted in strong earnings growth with pre tax EPRA earnings up 12%, as we continue to target £60m for the coming year and £72m by FY29.

+12%
EPRA earnings (pre tax)

It was also another good year for sales with £169m of sales delivered during the year, demonstrating both the value and liquidity of our asset base. Despite the challenging macroeconomic backdrop valuations were marginally up in the year as we saw ERV growth of 3.2% offsetting a small outward yield shift.

Our balance sheet remains in a healthy position with strong liquidity and a good hedging profile. Both net debt and LTV are broadly in line with the prior year. With only c.£130m of committed capex left to spend we will start using our significant operating cash flows to lower leverage by c.£300-£350m by FY29.

Our dividend per share continues its strong growth trajectory, increasing by 10.1% to 8.31p on a per share basis (FY24: 7.55p).

We also successfully converted to a REIT in September 2025 marking a significant milestone in Grainger's transformation. Converting to REIT status positions Grainger as a more tax-efficient investment vehicle, eliminating effective double taxation for the business and its Shareholders. The move unlocks meaningful Shareholder value through improved returns, strengthens the Company's ability to continue to grow its dividend, and allows the business to continue to enhance its operational platform. In the year we have recognised a tax credit of £123.6m as a result of the conversion.

Financial review continued


Seraphina Apartments, Fortunes Dock cluster, Canning Town

Financial highlights

Income returns	FY25	FY24	Change
Rental growth (like-for-like)	**3.6%**	6.3%	(270)bps
– BTR	**3.4%**	6.3%	(290)bps
– Regulated tenancies	**6.6%**	6.6%	–
Net rental income (Note 6)	**£123.6m**	£110.1m	+12%
Adjusted earnings (Note 3)	**£91.0m**	£91.6m	(1)%
EPRA earnings (Note 4)	**£53.7m**	£48.0m	+12%
IFRS profit before tax (Note 3)	**£102.6m**	£40.6m	+153%
Earnings per share (diluted, after tax) (Note 15)[1]	**27.3p**	4.2p	+550%
Dividend per share (Note 14)	**8.31p**	7.55p	+10%

Capital returns	FY25	FY24	Change
Total Property Return	**3.9%**	1.9%	+200bps
Total Accounting Return (NTA basis) (Note 4)	**2.6%**	0.1%	+230bps
EPRA NTA per share (Note 4)	**298p**	298p	–
Net debt	**£1,463m**	£1,453m	1%
Group LTV	**38.4%**	38.2%	+20bps
Cost of debt (average)	**3.3%**	3.2%	+10bps
Reversionary surplus	**£131m**	£147m	(11)%

1. £123.6m tax credit (17p) arising from REIT conversion. This does not impact the Net Tangible Asset (NTA) metric.

Income statement

The business continues to deliver very strong growth in EPRA earnings, up 12% to £53.7m (FY24: £48.0m) This was driven by continued strong growth in net rents of 12% combined with a strong focus on cost efficiency.

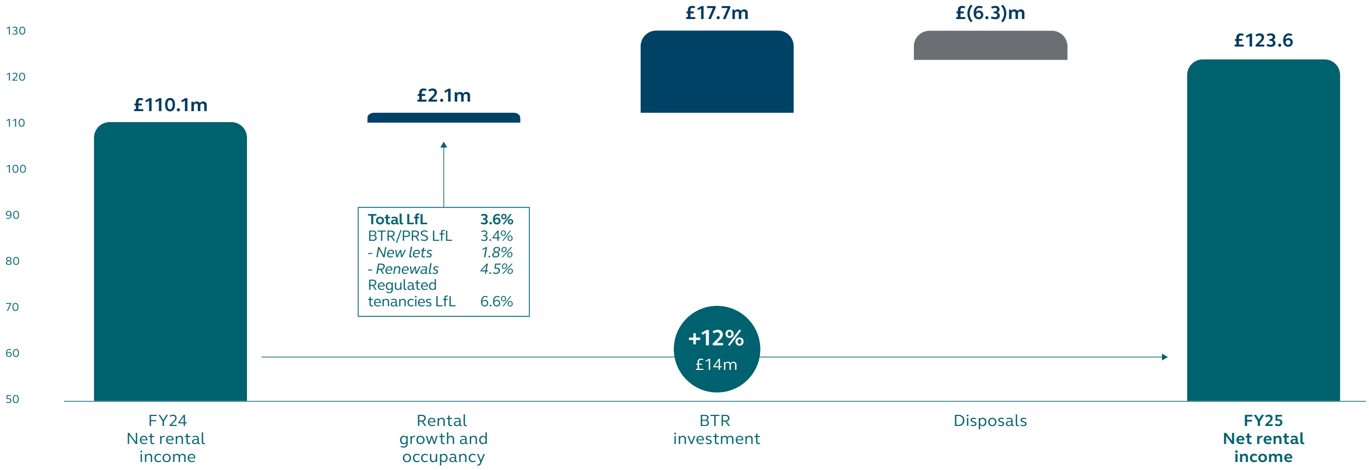
Adjusted earnings were broadly flat at £91.0m (FY24: £91.6m) as the sales profits from our reducing regulated tenancy business are replaced with rental income from our pipeline. The lower sales profits were in line with the smaller size of the regs portfolio.

IFRS profit before tax was £102.6m (FY24: £40.6m) as a result of positive valuation movements.

Income statement (£m)	FY25	FY24	Change
Net rental income	**123.6**	110.1	+12%
Mortgage income (CHARM, Note 20)	**4.3**	4.6	(7)%
Management fees and other income[1]	**6.1**	8.1	(25)%
Overheads	**(36.7)**	(35.3)	(4)%
Pre-contract costs	**(0.7)**	(1.0)	+30%
Net finance costs	**(42.7)**	(38.8)	(10)%
Joint ventures	**(0.2)**	0.3	(167%)
EPRA earnings[2]	**53.7**	48.0	+12%
EPRA EPS	**7.3p**	6.5p	+12%
Profit from sales	**37.3**	43.6	(14)%
Adjusted earnings	**91.0**	91.6	(1)%
Adjusted EPS (diluted, after tax)[3]	**9.3p**	9.3p	–
Valuation movements[4]	**23.4**	(39.4)	+159%
Other adjustments	**(11.8)**	(11.6)	(2)%
IFRS profit before tax	**102.6**	40.6	+153%
Earnings per share (diluted, after tax)[5]	**27.3p**	4.2p	+550%

1. Including LADs: "liquidated and ascertained damages" of £3.6m (FY24: £5.2m) which provide financial compensation for the loss of rental income caused by delays to the practical completion of our schemes.
2. EPRA Earnings is a pre tax measure of recurring earnings from core operational activities. For more details see page 180.
3. Adjusted earnings per share includes tax of £22.2m (FY24: £22.9m) at the Group's adjusted tax rate of 24.4%, adjusted or the effect of REIT conversion (FY24: 25%).
4. Including £(59)m in H1 FY24 due to the removal of MDR; excluding this, underlying valuation movement was +£20m in FY24.
5. £123.6m tax credit (17p) arising from REIT conversion. This does not impact the Net Tangible Asset (NTA) metric.

Rental income
(£m)



Rental income

Net rental income increased by 12% to £123.6m (FY24: £110.1m), as we saw continued strength in occupational markets. The strong £13.5m increase was driven by a combination of strong delivery of pipeline scheme launches which contributed £17.7m along with another year of rental growth reflecting strong demand for our product.

Overall like-for-like rental growth was in line with our long run average at +3.6% (FY24: +6.3%) with the BTR portfolio continuing to deliver at +3.4% (FY24: +6.3%), with rental growth on renewals of +4.5% (FY24: +6.8%) and +1.8% (FY24: +5.6%) on new lets. While our new lets rental growth remained strong, the lower levels compared to FY24 were due to our focus on maximising our occupancy levels. Our regulated tenancy portfolio also delivered strong rental growth at +6.6% (FY24: +6.6%). Looking forward we maintain our guidance on rental growth in the coming year to continue in line with the long-run average rate of 3.0% - 3.5%, with occupational markets back to normalised levels we expect to see some seasonality in rental growth return with H2 stronger than H1 growth.

Gross to net for our stabilised portfolio was 25.0% (FY24: 25.0%) as we continue our strong focus on cost efficiencies.

Sales

FY25 was another good year for sales as we continue our non-core asset recycling strategy in order to fund the required capital expenditure on our Committed Pipeline and the plan to lower leverage. Overall sales revenue was £168.9m, (FY24: £274.3m) with £82.4m of sales revenue coming from BTR recycling and £86.4m from regulated sales. The continued delivery of sales saw pricing in line with book values, justifying valuations.

Sales profits were lower at £37.3m (FY24: £43.6m) as expected reflecting a smaller regulated tenancy portfolio from which sales profits are generated. Profits from BTR recycling are based on valuation and therefore profit margins are much lower.

Vacant property sales profits in the period were down (27)%, as expected delivering £18.5m (FY24: £25.4m). Vacancy rates were slightly lower at 6.0% (FY24: 7.1%) with margins slightly down on prior year due to the tenancy mix. Pricing achieved remained robust with sales values within 0.4% of vacant possession values.

Sales of tenanted and other properties delivered £18.7m of profit (FY24: £15.6m) from £121.2m of revenue (FY24: £194.0m).

	FY25		FY24	
Sales (£m)	**Revenue**	**Profit**	Revenue	Profit
Residential sales on vacancy	**47.6**	**18.5**	54.9	25.4
Tenanted and other sales	**121.2**	**18.7**	194.0	15.6
Residential sales total	**168.8**	**37.2**	248.9	41.0
Development sales	**0.1**	**0.1**	25.4	2.6
Overall sales	**168.9**	**37.3**	274.3	43.6

Financial review continued

Overheads

Overheads increased by 4% in the period to £36.7m (FY24: £35.3m) as a result of wage growth across our employee base. Looking forward we see the opportunity to remove £2m of costs from overheads of which we expect to deliver £1m of these savings in the coming year. This will ensure that overheads will not increase in the next two years.

Balance sheet

Our BTR portfolio now represents 84% of our operational portfolio given the success of both our pipeline delivery and regulated tenancy recycling.

LTV was broadly flat on the prior year at 38.4% (FY24: 38.2%) reflecting investment. Looking forward, we plan to lower net debt by c.£300-£350m by FY29 in order to mitigate the impact of rising finance costs as our low rate hedging rolls off. This will be funded by our strong operating cash flows.

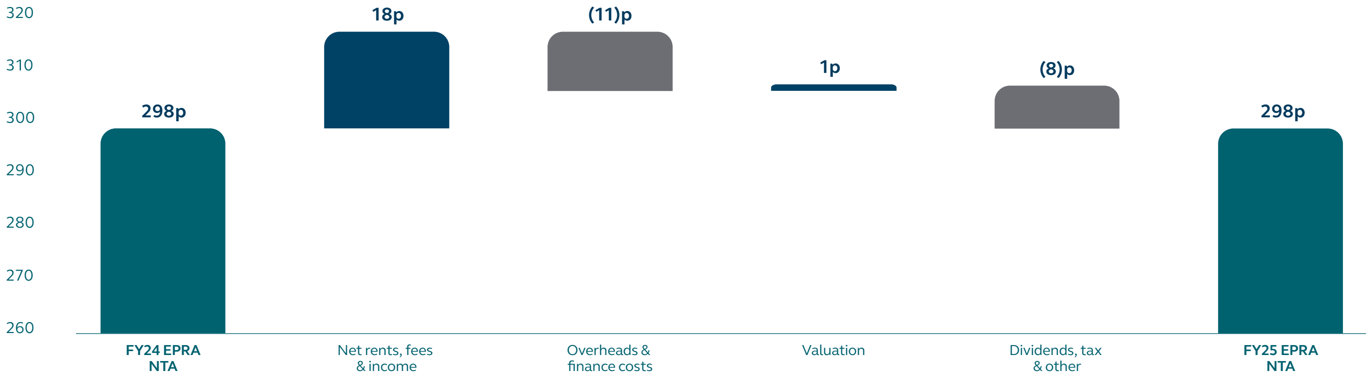
EPRA NTA was flat at 298p per share (FY24: 298p per share) reflecting the resilience of our asset class against a backdrop of macroeconomic uncertainty.

Market value balance sheet (£m)	FY25	FY24
Residential – BTR	**2,846**	2,708
Residential – regulated tenancies	**503**	591
Residential – mortgages (CHARM)	**49**	57
Forward Funded – BTR work in progress	**223**	266
Development work in progress	**93**	84
Investment in JVs/associates	**93**	91
Total investments	**3,807**	3,797
Net debt	**(1,463)**	(1,453)
Other liabilities	**(61)**	(48)
EPRA NRV	**2,283**	2,296
Deferred and contingent tax – trading assets	**(64)**	(76)
Exclude: intangible assets	**(2)**	(2)
EPRA NTA	**2,217**	2,218
Add back: intangible assets	**2**	2
Deferred and contingent tax – investment assets[1]	**(1)**	(113)
Fair value of fixed rate debt and derivatives	**60**	88
EPRA NDV	**2,278**	2,195
EPRA NRV pence per share	**307**	309
EPRA NTA pence per share	**298**	298
EPRA NDV pence per share	**307**	295

1. £123.6m tax credit (17p) arising from REIT conversion. This does not impact the Net Tangible Asset (NTA) metric.

The Kimmeridge, Oxford

EPRA net tangible assets (NTA)
(Pence per share)



Property portfolio performance

Over the year our portfolio valuation was up overall by 0.7%. Our BTR portfolio grew 1.1% over the year which saw strong ERV growth of 3.2% which was partly offset by a small outward yield movement in the period. Valuations in the regulated portfolio were largely flat in the year.

Portfolio	Region	Capital value	Total valuation movement	
		£m	£m	%
BTR	London & SE	1,378	7	0.5%
	Regions	1,468	24	1.6%
	BTR total	**2,846**	**31**	**1.1%**
Regulated tenancies	London & SE	447	(3)	(0.7)%
	Regions	56	–	(0.1)%
	Regulated tenancy total	**503**	**(3)**	**(0.6)%**
Operational portfolio		**3,349**	**28**	0.8%
	BTR development	316	(2)	(0.6)%
Total portfolio		**3,665**	**26**	**0.7%**


The Kimmeridge, Oxford

Financing and capital structure

Net debt was broadly flat during the year at £1,463m (FY24: £1,453m), however it was down from the half year position of £1,475m. The significant investment in our pipeline of £133m was offset by our continued asset recycling strategy generating £174m of net sales proceeds. With only c.£130m left to spend on our Committed Pipeline, we will start to use operational cash flows to lower net debt from FY27.

We have minimal refinancing risk with an average debt maturity of 3.9 years including extension options. We continue to benefit from a very strong hedging profile, which is in place until FY29 and with our average cost of debt remaining relatively flat at 3.3% (FY24: 3.2%). Looking forward we plan to lower our net debt by £300-£350m over the next four years, which would equate to an LTV of c.30% and c.8x net debt to EBITDA which we see as the appropriate capital structure in this current interest rate environment.

	FY25	FY24
Net debt	**£1,463m**	£1,453m
Loan to value (LTV)	**38.4%**	38.2%
Cost of debt	**3.3%**	3.2%
Headroom	**£532m**	£509m
Weighted average facility maturity (years)	**3.9**	4.7
Hedging	**100%**	95%

Summary and outlook

FY25 was yet another year of strong growth in net rents and earnings as we continue to deliver compounding growth. As we start our next phase of growth as a REIT, we are confident of the outlook and retain our prior guidance of targeting pre tax EPRA earnings of £60m for FY26 and £72m by FY29, a period over which we will absorb the substantial headwind of higher interest rates. This continued growth despite the macroeconomic headwinds is a testament to the resilience of our asset class and the excellence of our operating platform.

Rob Hudson
Chief Financial Officer

19 November 2025

Sustainability is embedded through the business

This section of the Report includes our Sustainability reporting, including TCFD and the SECR Disclosure.

Further information on our Sustainability activities and performance is also included in our Responsible Business Report (see page 92) and is also available on our website at corporate.graingerplc.co.uk/responsibility

In this section

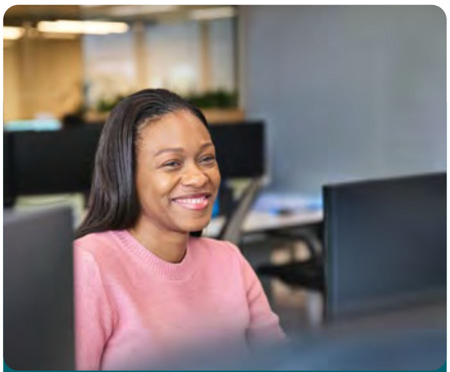
Wellesley, Aldershot

Grainger's approach to sustainability

Positive outcomes

Being a responsible business is core to Grainger's purpose to enrich people's lives by providing high-quality rental homes. We are committed to delivering positive impacts for our customers, colleagues and communities and for the environments in which we operate.

Our commitments



People

- Deliver positive social value contribution to our customers and local communities.
- Ensure Grainger's workforce is reflective of society.

See page 38

Assets

- Deliver enhanced investment decisions through incorporating sustainability considerations including risks, costs and returns.

See page 44

Environment

- Achieve our SBTi validated science-based emissions reduction target for 2030 and deliver Grainger's Net Zero Carbon Pathway.

See page 46

Strategy

Delivering on our sustainability objectives is central to Grainger's business strategy and is included in our key decision-making, for example through the inclusion of sustainability requirements in relevant policies and processes, including our asset hierarchy policy and the specifications for new BTR developments. This year we have also continued to develop our net zero asset plans for our long-term hold properties and we have invested in energy efficiency improvements in our properties.

See page 56

Metrics and targets

Grainger's new science-based emissions reduction target was validated during the year by the Science Based Targets initiative (SBTi). Our target includes our Scope 1 and 2 emissions and our key Scope 3 emissions sources of development-related emissions and emissions from our customers using energy in their homes.

See page 52

Governance

The delivery of our sustainability programme is monitored with oversight from the Board through our sustainability focused Responsible Business Committee, our Executive Committee and our internal Oversight Committees including our Investment Committee, our Operations Board and our Development Board. During the year we also published a new Supplier Code of Conduct, to ensure that our responsible business practices are included throughout our supply chain.

See page 92

Risk management

All sustainability-related risks are monitored and assessed in accordance with our risk framework. Physical and transition climate-related risks together with environmental impacts and opportunities are assessed on our existing portfolio and pipeline assets regularly. The assessment results are incorporated into our investment, asset management and refurbishment decisions to ensure that we retain and promote a resilient and highly energy efficient portfolio.

See page 69

Sustainability continued

Our people

Creating inclusive communities for colleagues and customers.

Our commitment to building inclusive communities is at the heart of everything we do for both our colleagues and customers.

Guided by our 'One Grainger' culture, we strive to foster an environment where everyone feels valued, respected, and empowered to contribute.

This year marks an exciting milestone with the introduction of our new HR system, People Hub, which enables us to support our colleagues more effectively and ensures that everyone has access to the resources they need to thrive.

"Building better communities together."

Ensuring Grainger's workforce is engaged and reflective of society

With people at the heart of everything we do, we are committed to colleague wellbeing and development, as well as leading the way in ED&I. Our strong levels of colleague engagement is reflected in our inclusion within the Top 50 Employer list and our Outstanding award from Best Companies.

People Strategy

Our People Strategy is central to everything we do, creating a culture of strong engagement which is inclusive and supports our colleagues to develop. This year we have focused on the implementation of a new HR System creating a central home for our people data, enabling smarter decision-making, streamlined processes and an enhanced colleague experience.

Our Culture

The way in which we deliver our Grainger values, and in particular People at the Heart, continues to be a key driver of how we engage with colleagues, including the retention, attraction and development of high performing talent in the business.

Our colleague-centric approach has led to a refresh of our *One Grainger* culture: a collaborative working style where diverse expertise comes together to define the right way of doing things, at the right pace, by the right people, to achieve shared success.

Wellbeing

Since the implementation of our Wellbeing Strategy, we have continued to further build our approach to supporting colleague wellbeing. Our specially dedicated Wellbeing Hub supports the delivery of our Wellbeing Strategy with guidance, information, an events calendar and mental health champions.

Key programmes include access to a range of resources and wellness campaigns, promoting a healthy work life balance.

By prioritising our colleagues' overall wellbeing, we are committed to fostering a supportive and resilient workplace.

Investing in colleague development and skills

We continued to invest in leadership development, with a strong focus on enhancing people management capability and team performance. A new soft skills bitesize training programme was introduced on key people practices and modules were delivered for colleagues to support their continuous development.

Our commitment to supporting careers at Grainger and sustainably growing our talent has enhanced our internal mobility and cross-skilling of colleagues. We continue to support growth opportunities through promotions and secondments across multiple departments, fostering broader organisational knowledge and career progression.

The Career Development Framework is embedded within our Operations team which has resulted in a number of promotions of colleagues who have successfully completed their framework pathway. This has expanded into Finance, Procurement and IT functions as we continue to invest in colleague development.

We have continued to utilise the Apprentice Levy and have supported colleagues to achieve apprenticeships on Customer Service, Data and Chartered Management Institute (CMI) qualifications.

In addition we have supported other formal qualifications to assist colleagues in their roles.

11th

FTSE Women Leaders

Grainger achieved 11th (2024: 19th) out of 250 companies in the FTSE Women Leaders review, an independent evaluation against gender-focused targets.

90%

(2024: 84%)

We hold ED&I data for 90% of colleagues

We launched our Grainger Mentoring Programme for the fourth year, based on the positive feedback from both mentors and mentees who participated in previous cohorts. The programme has covered development areas such as technical expertise, management, and soft skills. It also enables cross-collaboration among various departments and sites, encouraging the exchange of knowledge and perspectives.

We continue to develop the data literacy of teams across the business and build on the skills of individuals with enhanced training from data apprenticeships to an AI related master's degree.

Regarding security we have continued with the regular online uSecure security training, which keeps key issues and threats at the forefront of our colleagues' minds. This is reinforced with simulated phishing attacks. We also conduct business system training particularly linked to the release of new capability and updated workflows to our users.

Sustainability continued

An inclusive workplace – ED&I

We achieved the National Equality Standard in 2024, which is the UK's leading benchmark in ED&I and we remain committed to leading the way in our approach.

Our ED&I Steering Committee, continues to work alongside our colleague-led ED&I Network, which has delivered a series of engagement initiatives throughout the year, all celebrating diversity at Grainger. A significant enhancement to the ED&I Network has been the integration of Wellbeing into its scope, which has played a vital role in expanding the Network's reach. This addition was embedded following feedback from colleagues in the Wellbeing Survey in November 2024, where the suggestion was made to bring Wellbeing into the Network. Many initiatives and events are naturally interconnected and are intrinsically linked which supports our ED&I and Wellbeing agenda.

We also continued to participate in the Workforce Disclosure Initiative (WDI), delivering year-on-year improvements.

This year, we achieved the highest score yet at 98%, a score placing Grainger amongst a very small number of organisations, leading on workforce disclosures.

We have updated our ED&I training by delivering training on Unconscious Bias and Mental Health Awareness for People Managers, who have recently joined Grainger. This was delivered through e-learning modules by ENEI and is also available to any colleague seeking a refresher.

This was the fourth year we have issued our voluntary Workforce ED&I questionnaire, and we now hold 90% of our colleagues data (2024: 84%). The information we obtain helps us to understand the diversity of characteristics within our workforce and to tailor our People Strategy accordingly.

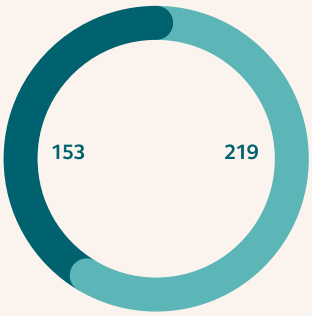
Gender split

(data as at 30 September 2025 – excludes NEDs)

Total colleagues
372
(2024: 367)

219
Female
(2024: 210)

153
Male
(2024: 157)



Breakdown by seniority

Executive Directors (Main Board)
Female **1**
Male **1**

Executive Committee
Female **3**
Male **5**

Senior Management
Female **9**
Male **17**

Management
Female **55**
Male **53**

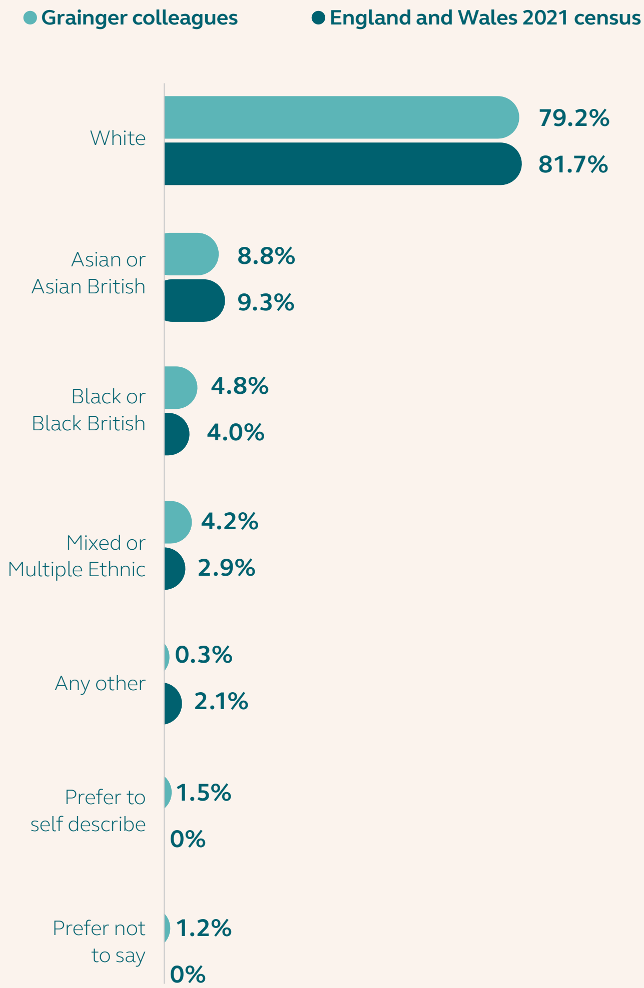
Associate
Female **47**
Male **25**

Onsite
Female **61**
Male **29**

Support
Female **43**
Male **23**

Ethnicity split*

(data as at 30 September 2025 – excludes NEDs)



* The ethnicity data is derived from our voluntary workforce diversity data tracking questionnaire, which is undertaken annually, and this year we hold 90% of colleagues ED&I data. This diversity data ensures that we can better understand the make-up of our workforce and support our colleagues. Our workforce diversity aspiration is to reflect the communities in which we operate, and by capturing this data we are able to assess how our workforce compares to our local communities and develop action plans accordingly. By comparing our data to the 2021 Census data, we have identified that in the North East, one of our major places of employment, our colleague diversity is in line with regional ethnicity demographics. In London and the South East, our other major places of employment, whilst our workforce is broadly reflective of the regional population, we are looking at how we can improve ethnic diversity as part of our ongoing commitment to support increased diversity across the business including in our Senior Management. For additional Board and Senior Management diversity reporting, see our Governance report on pages 90-91.

During the year, we have taken the following steps to support colleagues:

- We are members of Carers UK which provides support, guidance and resources to colleagues via an external platform. We celebrated Carers Week with an education session delivered by Carers UK.
- We celebrated International Women's Day and Pride with panel events featuring colleagues who shared their lived experiences.
- The ED&I Network delivered new awareness initiatives focusing on Autism and Social Mobility.
- For office-based colleagues, we have a hybrid working practice with core office days and flexibility around days worked from home.
- We are proud to sponsor a second bursary student through the Worshipful Company of Chartered Surveyors (WCCS) to study towards a degree in Urban Planning & Real Estate.
- We are members of Real Estate Balance which is an organisation focused on promoting equity, diversity and inclusion within the Real Estate Industry.
- Our commitment to careers in real estate is also supported by our active engagement with the WCCS as we continue our partnership and support students into the sector on an ongoing basis.

People Hub

We have invested in our HR Technology Platform with a modern system which will support our People data and Payroll processes. Colleagues were engaged on a poll to name the new system, People Hub, and the system architecture was designed and built with key stakeholder engagement.

The new HR System will play a key role in supporting colleague engagement by providing a one stop platform for all HR processes. Our colleague experience has been enhanced by introducing a self-service functionality, providing a quick and efficient way to manage data. This supports our culture of continuous improvement.

Sustainability continued

Our purpose

Grainger's purpose is renting homes and enriching lives by providing high-quality rental homes and great customer service.

Our values

Our values help us fulfil our purpose. They direct how we make choices and perform at our best. They set us apart for our customers, colleagues, Shareholders and partners.

Every home matters

We're passionate about providing every customer with a great place to rent that they can make their home. Because we know how much a good home matters to everyone's quality of life.

We are proud to provide homes and care about the standards of our homes and services we offer.

People at the heart

We want our customers to feel safe, secure and happy in their homes and to stay renting with us for as long as they wish.

Which is why we put people at the centre of all our thinking – in how we create and operate Grainger homes.

Leading the way

We're ambitious about giving people the best renting experience and never stop finding smart and creative ways to help them enjoy renting with us.

We know that leading the way in our sector helps our Company performance and our customers and colleagues to get more from their lives.

Exceeding expectations

We've been a professional landlord for over 100 years, so we know what we're doing and what our customers need to enjoy their homes in full.

But none of us, in any role, only does what's necessary. We take ownership of what we do and go beyond expectations, to deliver more to our customers, each other, our investors and our partners.

Our communities

Grainger's community engagement plans encourage our customers and our colleagues to build strong local relationships that create thriving communities in and around our properties.

Giving back to local charities

We have continued to enhance community engagement plans at all our BTR properties. Over the year we partnered with over 30 local charities across our portfolio, providing opportunities for our customers and colleagues to give something back to their local communities.

A key focus in the year was building resident engagement with many of our sites introducing dedicated Community Boards in reception areas and hosting charity partners at sites so our customers can see first-hand how their support is helping to benefit their local community.

Colleagues across the business including our on-site Resident Services Teams have volunteered their time, supporting local charities and environmental projects including volunteering with food banks and charities, distributing donations to people who are homeless and undertaking clean-up projects in nature reserves and green spaces near to our properties.

During the year, customers and colleagues took part in fundraising initiatives for charitable causes. For example:

- Members of our Leeds cluster participated in a Yorkshire peak hike raising funds for Emmaus.
- Manchester cluster colleagues participated in the Great Manchester Run raising funds for Mustard Tree.
- Our North London team and customers undertook a sponsored walk of the Victoria London underground line raising money for suicide prevention charity CALM.
- Colleagues across the business continue to support local and national charity partners including colleagues from the London office who took part in the LandAid SleepOut and colleagues from our Newcastle head office who participated in volunteering sessions with local charity Changing Lives.

We also continue to support the LandAid BTR Pathfinder programme providing discounted homes to charities to accommodate young people at risk of homelessness. We have renewed our tenancies with the charity partners we are working with in Manchester and Sheffield.

One of the homes pledged through the programme now has a new resident with the first having successfully moved on into permanent accommodation.

LandAid has partnered with HACT to calculate the social value of the homes provided through the BTR Pathfinder programme and the social value generated from Grainger's donation is £125,000. This includes a range of wellbeing measures including moving into secure housing, financial independence and health benefits.

Delivering social value through our supply chain

Expanding our social value programme to our supply chain has been a long-term goal and this year we began partnering with our key suppliers to make a difference in the areas where we operate. Our furniture provider Loft has hosted Grainger colleagues at tree planting days.

We promote our social value objectives with our key suppliers with a view to getting them involved in local initiatives. For example, during the year we hosted community clean up days with our repairs and maintenance supplier at our sites The Gardens in South East London and Berewood in Hampshire. Our supplier carried out small handy jobs for customers and skips were provided for free rubbish disposal, helping minimise waste and promote a pleasant living environment. Customers also had the opportunity to get to know their neighbours and their local Grainger team as a result.

Providing safe and secure social homes

Grainger Trust is a for profit regulated provider of social housing and is a wholly owned subsidiary. Grainger Trust owns and operates our affordable housing portfolio which includes over 1,000 homes.

Our affordable housing buildings operate on a tenure blind basis, which means our Grainger Trust customers benefit from enhanced service delivery and higher quality homes. During the year Grainger Trust underwent a routine inspection by the Regulator for Social Housing (RSH), which included assessment against the Regulatory Standards covering Consumer, Governance and Viability.

We launched new Grainger Trust homes at Cobalt House in Bristol where we are providing safe and secure homes for residents coming from diverse backgrounds including care settings, homelessness and temporary accommodation. Our on-site Resident Services Team has received additional training to meet the needs of our residents, including safeguarding, safety and wellbeing support for vulnerable customers.

At all of our Grainger Trust sites, our teams work with local stakeholders to signpost customers to local support services and have achieved a customer satisfaction rating of 80% as a result of their efforts.

The Grainger Gather resident event at Clippers Quay, Salford

Sustainability continued

Our assets

Through our acquisition due diligence, refurbishment programmes and operational strategies we are investing in assets which deliver long-term returns, climate resilience and customer satisfaction.

"The Mint provides easy access without any noise issues, thanks to its triple-glazed windows."

Fernando,
Grainger customer

The Mint, Guildford

Driving asset energy and carbon reductions

Following the successful pilot of net zero asset plans undertaken on our long-term hold assets last year, during FY25 we have continued to roll out the programme to our remaining older assets.

The asset plans identify communal and apartment level improvements that will support Grainger's long-term planning for investment in energy efficiency and carbon reduction. The findings are included in our asset hierarchy reviews which determine which properties are to be refurbished, repositioned or recycled.

For example, the assessment completed at Winchester Park in Southwark recommended replacement of the heating systems, roof fabric improvements, lighting upgrades and installation of water efficient fixtures and mechanical ventilation with heat recovery (MVHR).

Feasibility studies are also progressing in relation to potential improvements at our properties as a direct result of the assessments. These include assessing the potential for installing regenerative lift drives.

We have also completed a review of the scope to enhance our renewable energy generation through rooftop solar provision across our portfolio. A new solar array was installed on Nautilus Apartments, Fortunes Dock cluster, Canning Town during the year.

Investment in emissions reduction initiatives is considered within our long-term financial planning and subject to cost/benefit analysis to ensure our properties remain affordable for our customers.

Investing in keeping our homes resilient and secure

To future-proof our buildings and ensure they align to our commitment to provide our customers with a best-in-class rental experience, we have continued to explore and where appropriate invest in smart technology.

Smart lighting and heating, ventilation and air conditioning (HVAC) controls are delivering energy efficiency improvements and master switches make it easy for our customers to control their energy use.

We have also continued to roll out smart meters to all eligible utility supplies across our portfolio and are educating our customers on how to utilise their smart meters to monitor and minimise their energy consumption. The data and insights gathered from the smart technology systems in our buildings help us better understand how our customers are utilising our properties and how to keep our residents safe, healthy and secure in their homes.

A Health, Safety and Security Week held in our BTR buildings shone a spotlight on how we design and operate our properties in alignment with our Live.Safe agenda and shared essential safety tips with our customers. Residents participated in a range of activities and interactive sessions, including a child safety seminar organised in partnership with charity NSPCC, meetings with their dedicated facilities manager, apartment safety walkthroughs and introductions to local emergency services.

Protecting our future investments

As we diversify our growth through the acquisition of stabilised assets in addition to the development of new buildings, we have further enhanced the sustainability aspects of our Investment Committee process. All potential investments undergo a thorough assessment including environmental and social criteria, covering matters such as overheating potential, the availability of green spaces and accessibility of the site.

We also model the potential impacts of any proposed acquisition on our energy and carbon reduction targets.

Following the acquisition or development of a building, comprehensive post completion reviews are undertaken for all projects, with any sustainability-related lessons learned being incorporated alongside learnings from all areas of Grainger's operations.

We have also recently undertaken a comprehensive review of physical climate-related risk exposure for all assets within our standing portfolio and pipeline. The findings from the assessment inform mitigation measures and business continuity plans for our assets.

Our environment

Securing our future

This year Grainger's sustainability leadership was recognised through achieving validation from the SBTi for our emissions reduction target and being added as a constituent of the Dow Jones Best-in-Class Indices for Europe for 2025. These achievements demonstrate that our emissions target is robust and our overall approach to sustainability is sector-leading.

"The insulation is superb! We rarely need the heating."

Jeremy,
Grainger customer

Solar panels at The Kimmeridge, Oxford

Delivering science-based emissions reductions

We were proud to achieve a key milestone in the year, receiving validation for our new emissions reduction target. Covering our Scope 1 and 2 emissions and key Scope 3 emissions sources, setting our target is the culmination of our journey to understand the full carbon impact of our operations. This process has enabled us to develop long-term emissions reduction pathways aligned to the UK Government's carbon commitments and the Paris Agreement.

Our science-based target is a near term target which covers the first stage of our Net Zero Transition Plan through to FY30.

Our strategy for achieving the target aligns to our existing Net Zero Carbon Pathway and includes:

- Improving the energy efficiency of our portfolio.
- Delivering our commitment to phase out fossil fuel heating systems in our buildings.
- Enhancing renewable energy generation across our portfolio.
- Reducing embodied carbon from the development and refurbishment of our buildings.
- Engaging with our customers, suppliers and industry bodies to deliver emissions reductions across our value chain.

The Scope 3 emissions sources included in our science-based target are associated with our development and refurbishment activities and with the energy utilised by our customers in their homes.

Engaging with our supply chain and our customers will be essential to the delivery of the Scope 3 reductions required to meet our target and this is a key focus of our Net Zero Carbon Pathway and related strategy.

We have already made strong progress towards achieving our targeted reductions, with a 24% reduction in Scope 1 and 2 emissions and a 46% reduction in Scope 3 emissions per m^2 in FY25 compared to the FY23 target baseline.

More information about our target and our progress towards carbon reduction is reported on page 52.

Engaging with our stakeholders to scale up our impact

During the year Grainger participated in the UK Green Building Council's Supply Chain Decarbonisation Task Group which is developing guidance for the real estate sector on how to decarbonise supply chains through procurement and supplier engagement.

Our participation in this initiative enabled us to exchange ideas and experiences with other organisations across our sector and within our supply chain, and to generate ideas to enhance our supplier carbon engagement programme.

Our engagement was recognised with a leading Supplier Engagement Assessment rating of 'A-' by CDP.

To support our customers in reducing their energy consumption and wider environmental impacts, we have continued to implement our environmentally focused customer engagement campaign – Living a Greener Life. We held Living a Greener Life Week which included events in our buildings and introduced a new dedicated area for home user guides and green tips in our updated MyGrainger app.

Our site-based energy champions develop bespoke communications designed to help our customers live greener in our buildings and conduct regular site walkarounds to explore energy saving opportunities.

Our energy champions meet monthly to share feedback and have delivered energy consumption reductions of up to 10% in our buildings. Training has been delivered to all colleagues across our Operations Division, focusing on how colleagues can support Grainger achieving our science-based target.

We have continued to engage with peers in our industry and with Government policy-makers on initiatives that will help our sector decarbonise.

During the year, we hosted a workshop with Government in collaboration with the British Property Federation to share learnings and inform the development of new Minimum Energy Efficiency Standards for the PRS.

Grainger representatives have also contributed to Government working groups reviewing policy requirements for electric vehicle chargepoint infrastructure, rooftop solar provision on new homes, facilitating increased adoption of smart meters and the Energy Performance Certificate (EPC) reforms.

We were also proud to join the Manchester Good Landlord Charter, a voluntary initiative to raise rental standards in Greater Manchester which includes criteria on resident affordability and energy efficiency.

Recycling initiatives are part of our Living a Greener Life customer engagement campaign

Streamlined Energy and Carbon Reporting Disclosure

Scope 1 and 2 Global GHG emissions data for period 1 October 2024 to 30 September 2025.

Emissions (tonnes of CO^2e) from	2024 location-based	**2025 location-based**	Trend location-based	2024 market-based	**2025 market-based**	Trend market-based
Scope 1 (Fuel combustion in vehicles and buildings)	402	**207**	-49%	402	**207**	-49%
Scope 2 (Electricity)	1,394	**1,248**	-11%	112	**83**	-25%
Total footprint	1,796	**1,455**	-19%	514	**290**	-44%
Outside of Scopes (Biogenic emissions)	1,694	**2,014**	19%	1,694	**2,014**	19%

Company's chosen intensity measurement:						
Emissions reported above per m^2 Gross Internal Area[1]	0.0022	**0.0017**	-20%	0.0006	**0.0003**	-44%
Emissions reported above per owned unit[2]	0.17	**0.14**	-20%	0.05	**0.03**	-44%
Emissions reported above per employee[3]	4.90	**3.91**	-20%	1.40	**0.78**	-44%

Scope 3 Global GHG emissions data for period 1 October 2024 to 30 September 2025.

Emissions (tonnes of CO^2e) from	2024	**2025**	Trend
Purchased goods and services[4]	9,092	**7,789**	-14%
Capital goods[5]	36,451	**25,364**	-30%
Fuel and energy-related activities[6]	670	**709**	6%
Upstream transportation and distribution[7]	2.7	**3.2**	19%
Waste generated in operations[8]	9.5	**0.1**	-99%
Business travel (air, rail, vehicles and hotels)[9]	158	**125**	-21%
Employee commuting[10]	458	**374**	-18%
Upstream leased assets (office energy use)[11]	89	**80**	-10%
Use of sold products	307	**99**	-68%
End-of-life treatment of sold products[12]	77	**32**	-58%
Downstream leased assets (customer energy use)[13]			
PRS	13,576	**12,762**	-6%
Regulated tenancies	6,808	**5,162**	-24%
Commercial	1,167	**904**	-23%
Total	**21,551**	**18,828**	**-13%**
Investments (Residential – mortgages 'CHARM')[14]	775	**639**	-18%
Total Scope 3 emissions[15]	**69,640**	**54,042**	**-22%**

1. Gross Internal Area for Grainger's residential portfolio (834,081 m^2).
2. Number of owned units during the financial year, including units owned in Joint Ventures that are within Grainger's operational control.
3. Total number of employees of Grainger plc on the last day of the financial year.
4. This has been calculated based on spend data using CEDA emissions factors and includes all operational expenditure not captured within other reporting categories.
5. This has been calculated based on spend data using CEDA emissions factors and includes all capital expenditure.
6. Includes WTT emissions from fuels and electricity transmission and distribution losses.
7. Includes emissions for courier services calculated from spend data.
8. Includes waste generated from two offices that Grainger leases from its landlords and estimated waste for other offices.
9. Includes business travel emissions from air, rail and vehicles. Optional hotel stay emissions are excluded and are 9.5 tonnes.
10. Employee commuting has been estimated from an employee survey. Optional working from home emissions are excluded and are 79 tonnes.
11. Includes landlord-obtained emissions from two offices that Grainger leases from its landlords.
12. Sold products emissions include in-use and end-of-life emissions for properties sold in the year that Grainger developed for sale which for 2025 comprises 10 units at The Boathouse, Clippers Quay and one shared ownership home in the Grainger Trust portfolio.
13. Downstream leased assets – includes estimated customer energy use for Grainger's portfolio of leased residential and commercial buildings, which has been calculated from a combination of actual meter readings, extrapolation of actual data and estimation from Energy Performance Certificates (EPCs) and CIBSE benchmarks. 32% of data was calculated from actual meter readings.
14. Emissions from the 'CHARM' portfolio of residential mortgages calculated using the PCAF methodology for Grainger's equity share.
15. Emissions from categories 9 (Downstream transportation and distribution), 10 (Processing of sold products) and 14 (Franchises) are not relevant to Grainger.

Underlying global energy use data for period 1 October 2024 to 30 September 2025.

Energy use (kWh)	2024	2025	Trend
Electricity	6,722,407	**7,032,970**	5%
Natural gas	8,844,459	**9,312,304**	5%
District heating	13,726	**16,281**	19%
Biomass	925,042	**983,391**	6%
Transport fuel	129,984	**102,752**	-21%
Total energy use	16,635,618	**17,447,698**	5%

Summary

As a quoted company incorporated in the UK, Grainger complies with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. Grainger reports all material GHG emissions using tonnes of CO_2 equivalent ('tCO_2e') as the unit of measurement and reports energy use in kWh. Our reporting period is 1 October to 30 September and we report energy use and emissions for the previous year to show trends.

We report on all energy use and GHG emissions for the operations within the boundaries of our financial statements. All energy use and emissions data relates to emissions in the UK and offshore area.

Between 2024 and 2025, energy consumption from our property portfolio has increased by 5%. Grainger's total location-based GHG emissions have decreased by 19% and market-based emissions have decreased by 44%.

We are reporting all relevant Scope 3 categories using methodologies in line with the GHG Protocol Corporate Value Chain (Scope 3) Standard.

Trends

Energy: Energy use across energy sources increased year-on-year. This increase can in part be attributed to changes in the property portfolio due to acquisitions. On a like-for-like basis, only considering properties which were fully operational across the two years, energy consumption has remained largely consistent with a 2% increase. On a like-for-like basis, electricity consumption has decreased 1% year-on-year due to energy efficiency measures. Use of natural gas, biomass and district heating consumption have all increased compared to FY24 due to the colder weather experienced over the 2024-25 winter with an increased number of heating degree days. Energy associated with transport has reduced due to a reduction in the fleet.

Emissions: Our Scope 1 emissions have significantly decreased. Over the last three years we have progressively moved sites using natural gas onto a green gas contract. In FY25 this coverage was extended to 95% of gas meters. Despite the increase in electricity consumption, location-based Scope 2 emissions have decreased due to the reduction in emissions intensity of the UK electricity grid. Market-based Scope 2 emissions have decreased as we have continued to increase the coverage of renewable electricity with 94% of our portfolio meters and 97% of electricity consumption now covered by a renewable electricity tariff.

Methodology

Grainger uses the GHG Protocol Corporate Standard (revised edition), Government Environmental Reporting Guidelines 2019 and ISO14064: Part 1 standard for its reporting, using the operational control approach. We have used the UK Government Conversion Factors for Company Reporting 2025 for emissions calculations, including location-based Scope 2 reporting. For our market-based emissions we have used contractual instruments where there is data readily available and if unavailable, residual mix emission factors from the Association of Issuing Bodies European Residual Mixes 2024 for market-based reporting for 2025. We used emissions factors from the same sources in 2024.

We have reported on all energy use and emissions sources required under the regulations. We purchase 100% renewable electricity tariffs for 94% of our portfolio meters, which has resulted in lower Scope 2 emissions using the market-based approach compared to the location-based approach.

Scope 1 data

This includes landlord-obtained gas and biomass heating consumed in common areas and by tenants on an unmetered basis, gas consumed in Grainger's offices, as well as fuel consumption in vehicles owned or leased by Grainger. Fugitive emissions are considered but in 2025 there were no top-ups of refrigerants across properties and so no emissions have been calculated.

Scope 2 data

This includes landlord-obtained electricity and district heating consumed in common areas and by tenants on an unmetered basis as well as electricity consumed by Grainger in its offices.

Scope 3 data

This includes all relevant Scope 3 categories.

Emissions from purchased goods and services, capital goods and upstream transportation and distribution are calculated from spend data using CEDA emissions factors. The 2024 emissions data originally reported in 2024 was calculated using 2023 CEDA factors, as the 2024 factors were released after the end of the reporting period. Figures have since been recalculated using 2024 factors which are presented in this year's report.

Streamlined Energy and Carbon Reporting Disclosure continued

Fuel and energy related activities include well-to-tank emissions from fuels and electricity alongside emissions from the transmission and distribution of electricity.

Waste generated from operations and Upstream leased assets emissions have been calculated from waste and energy data provided by landlords for Grainger's occupied offices.

Where waste data was unavailable it has been estimated using available waste data and employee headcount figures. Waste data for confidential shredding has been calculated based on actual waste data in FY25 and was previously calculated based on spend data using CEDA emissions factors, which has reduced emissions year on year.

Business travel emissions have been calculated from actual mileage records and spend data. Optional hotel stay emissions are calculated and are 9.5 tCO_2e but are not included in the reported figures to align to the GHG Protocol and SBTi. Employee commuting has been estimated from an employee survey and workforce data, whilst optional emissions from employees working from home (79 tonnes in 2025) are also calculated but excluded from the reported figures.

Sold products consists of units developed by Grainger for sale which include units at The Boathouse, Clippers Quay and a shared ownership unit on the Grainger Trust portfolio. Use of sold products emissions have been estimated from actual energy used in Grainger's leased properties on the same estate or from EPCs where no actual data is available. End-of-life treatment of sold products emissions have been estimated using data from Whole Life Carbon assessments undertaken on similar Grainger properties.

Downstream leased assets includes emissions from energy used by Grainger's customers in our buildings and uses a combination of actual energy data, extrapolation of actual data to fill gaps in data for the same asset, and proxy data for similar assets. Where no actual data or suitable proxy was available, emissions have been estimated using data from EPCs and CIBSE benchmarks.

Investment includes emissions from a portfolio of residential mortgages ('CHARM') calculated using the PCAF methodology, and are reported for Grainger's equity share.

Energy use data

This includes purchased electricity, natural gas, biomass, district heating and transport fuels (petrol and diesel, which have been converted to kWh from mileage records using the UK Government conversion factors). Grainger has solar photovoltaic panels generating electricity on a number of properties, but the energy generated is exported to the grid or used to supply building communal areas and is unable to be reported.

Recalculations and estimation

We have recalculated emissions for 2024 in line with best practice as we have been able to obtain more accurate and complete data for Scope 1 and Scope 2 emissions from energy consumption in our property portfolios. Properties which were completed in 2024 for which no data was available for the prior year's reporting have been included and a small number of recently completed properties are excluded from 2025 reporting because data is not yet available. We will gather data in 2026 to include these properties in our future reporting.

Where Grainger-obtained utility consumption data is partially unavailable or unreliable for an asset, estimation has been undertaken by extrapolating, first using data from the current reporting period and if unavailable, data from the previous reporting period. For 2025 8% of energy from fuels for Scope 1 emissions and 1% of electricity for Scope 2 emissions data has been estimated.

All Scope 3 emissions have been calculated using the same methodology in 2024 and 2025. Scope 3 emissions have been recalculated from previously reported figures where improved data collection resulted in more accurate input data and to use the most recent CEDA emissions factors.


Energy saving tips are shared with customers during their move-in

Intensity metrics

We have used three intensity metrics: emissions per residential gross internal area (tCO_2e/m^2), emissions per number of owned units (tCO_2e/owned unit) and emissions per number of employees (tCO_2e/employee) to align with our financial reporting.

The floor area of our portfolio has increased between FY24 and FY25 due to acquisitions. This, coupled with the decrease in combined Scope 1 and 2 emissions, has resulted in a 20% decrease in location-based emissions per m^2. Our investment in new energy efficient rental homes has increased the number of homes in the portfolio and improved the efficiency of the portfolio, resulting in a 20% reduction in location-based emissions per owned unit. There has been a small increase in the number of employees which has a resulted in a 20% decrease in location-based emissions per employee.

Energy efficiency measures

As part of our long-term asset management activities, we undertake comprehensive refurbishments to the common parts of our buildings and have a programme of rolling refurbishments for units. These refurbishments include a number of energy efficiency measures. For common parts a typical refurbishment includes a lighting upgrade with installation of lighting controls, and fabric upgrades where required. We have undertaken major refurbishments to 8 assets over the last three years, which included lighting upgrades, window replacements and roof insulation. Comparing year-on-year energy use across these refurbished assets, there has been a 32,761 kWh (14%) reduction in energy use affecting our Scope 1 and 2 emissions. The resulting emissions reductions primarily affect our Scope 3 emissions from Downstream leased assets, benefiting our customers with lower energy consumption.

Refurbishments undertaken to individual units include many energy efficiency improvements including draught-proofing, installation of more efficient heating systems and insulation. The resulting reductions in energy consumption are experienced by our customers in their directly-purchased energy usage, and are reflected in our Downstream leased assets emissions.

Customers energy use and emissions

Grainger's customers purchase their own energy and data privacy laws make it challenging to obtain actual customer energy data which can be used to calculate actual emissions for Downstream leased assets. Grainger has implemented our Customer Emissions Strategy to improve data quality and coverage of customer energy data. A green lease clause was rolled out across Grainger's PRS portfolio to enable customer energy data to be collected and used for reporting purposes. Meter readings have been taken when properties are void and during property inspections where customers have provided consent. The actual customer energy data that has been collected has been extrapolated to similar properties in the same estate or portfolio.

Where no data is available we have used estimated energy consumption data from Energy Performance Certificates or CIBSE benchmarks. These figures do not take into account actual residents usage patterns and the actual data gathered from Grainger's portfolio suggests our properties are operating more efficiently than predicted. The coverage of properties with actual data is increasing over time which will enhance the accuracy of our emissions reporting. Grainger has a customer engagement campaign Living a Greener Life which aims to engage our customers on greener living and support them in reducing their environmental impacts. For more information see page 47.

Supply Chain Emissions

Grainger reports supply chain emissions from Purchased goods and services and Capital goods. These emissions are currently calculated using spend data and CEDA emissions factors for specific spend categories, however we have commenced a long-term engagement programme with our key suppliers to measure and report supplier specific emissions data. For more information see page 47.

Capital goods include emissions from BTR development projects and refurbishment. Development activity has reduced year on year as we have had fewer homes under construction due to additional planning requirements resulting from enhanced building safety regulations. However, Capital goods still represents our largest source of Scope 3 emissions for this year. We are undertaking Whole Life Carbon assessments for all future pipeline schemes which will enable us to more accurately measure emissions from developments completing in future years.

Third-party calculation and verification

SE Advisory Services has reviewed and analysed the data provided by Grainger and has carried out calculations in-line with best practice (see Methodology section). A separate SE Advisory Services team completed verification of the following emissions using the ISO 14064-3 standard:

GHG emissions	2025 GHG emissions (tCO_2e)
Scope 1 emissions	**207**
Scope 2 emissions (location-based)	**1,248**
Scope 2 emissions (market-based)	**83**
Total (location-based)	**1,455**
Total (market-based)	**290**
Scope 3 emissions Category 1	**7,789**
Scope 3 emissions Category 2	**25,364**
Scope 3 emissions Category 6	**125**
Scope 3 emissions Category 13	**18,828**
Total verified Scope 3 emissions	**52,106**

The full verification statement is available on Grainger's website at corporate.graingerplc.co.uk.

A more detailed breakdown of our energy consumption and carbon footprint for our property portfolios and the methodology used is available in our EPRA Sustainability Performance Measures Report, which is also available on our website.

Streamlined Energy and Carbon Reporting Disclosure continued

Progress against targets

Our new science-based target

In the reporting year, Grainger's science-based target was validated by SBTi. The target is a near term target which is as follows:

Grainger plc commits to reduce absolute Scope 1 and 2 GHG emissions 42% by FY2030 from a FY2023 base year[1]. Grainger plc also commits to reduce Scope 3 GHG emissions from capital goods and downstream leased assets 51.6% per m^2 residential gross internal area within the same timeframe.

The target includes Grainger's most material emissions sources to focus our energy and carbon reduction efforts on the areas where we can make the most impact aligned to our business strategy. Emissions from Capital goods includes our investment in developing and refurbishing energy efficient homes for rent and emissions from Downstream leased assets represent our customers using energy in their homes.

Achieving our target will therefore require engagement with our development supply chain and with our customers. Engagement with our development partners and contractors through our embodied carbon roadmap and engagement with our customers through our Living a Greener Life customer engagement campaign are key elements of our strategy and more detail is provided on page 47.

Progress against our target

All the emissions sources covered within the target are verified by a third party as disclosed in this report. We have made strong progress towards our target in the first two years since our baseline year (FY23), achieving reductions of 24% in absolute Scope 1 and 2 emissions and 46% per m^2 residential gross internal area in Scope 3.

Reductions in our Scope 1 and 2 emissions are driven by the transfer of our communal heating systems from natural gas to green gas, energy efficiency improvements delivered to these systems and the rationalisation and improved efficiency of our fleet.

Our progress towards achieving our Scope 3 target is not expected to be linear as it is linked to levels of development activity. Development activity in FY24 and FY25 has been lower than in our FY23 baseline year as we have had fewer homes under construction due to additional planning requirements resulting from enhanced building safety regulations. Capital goods emissions also includes emissions associated with asset repositioning and refurbishment activity which is anticipated to increase as we grow through a combination of development and acquiring existing assets. We continue to collaborate with our development and refurbishment partners to explore embodied carbon reduction opportunities.

Our emissions from Downstream leased assets have reduced as the energy efficiency of our portfolio increases due to our strategy to invest in efficient new rental homes.

Strategies and actions taken

To achieve reductions across our direct operations and our value chain, Grainger has implemented the following strategies and actions.

Scope 1 and 2

Grainger has reviewed our fleet of vehicles, significantly reducing the number of vehicles and ensuring all vehicles are now hybrid models which has reduced the emissions associated with the fleet.

Grainger has communal gas and biomass heating systems in a small number of buildings where Grainger controls the plant and purchases the fuel. All eligible gas supplies have been transferred to a green gas contract and all communal heating systems have been reviewed to ensure they are operating efficiently, with improvements implemented.

Our programme to refurbish communal areas has continued with the objective to significantly improve energy efficiency. We have installed solar PV to an additional site, completed window replacement projects at two assets and delivered refurbishments to 14 properties over the past two years.

Scope 3

Grainger has continued to invest in improving the energy efficiency of existing homes with over £11 million invested in improvement works.

Grainger's development projects are designed to our specification which sets minimum energy efficiency requirements and all pipeline projects are designed with low carbon heating systems. Our contractors and development partners are required to consider opportunities to reduce embodied carbon through lean design and alternative materials and construction processes.

Our Living a Greener Life campaign continues to run across our properties with communications designed to help residents use less energy in their homes and support is on hand from our site-based energy champions.

These initiatives are delivering improvements in energy and carbon efficiency across our portfolio, placing us on track to deliver our reduction targets.

Actions planned for FY26

Grainger has the following emissions reduction projects in the implementation and planning phases:

- Undertaking energy audits across our portfolio to identify further energy efficiency opportunities.
- Upgrading the communal areas of our properties including installing regenerative lift drives and additional solar PV.
- Developing net zero asset plans for BTR properties, building on the successful roll-out delivered across our PRS portfolio.
- Implementing a pilot of low carbon heating technologies on a PRS asset.
- Continuing our investment in unit refurbishments to enhance energy efficiency.
- Expanding our supplier carbon engagement programme.

1. The target boundary includes land-related emissions and removals from bioenergy.

Task Force on Climate-Related Financial Disclosures

Grainger has complied with the FCA's UKLR in relation to TCFD and we confirm that:

1. Our climate-related financial disclosures for FY25 are consistent with the Task Force on Climate-Related Financial Disclosures (TCFD) Recommendations and Recommended Disclosures (as defined in Appendix 1 of the UKLR).
2. The detail of these climate-related financial disclosures is conveyed in a decision-useful format to the users of this Report and that these disclosures provide sufficient detail to enable users to assess Grainger's exposure to and approach to addressing climate-related issues.

In drafting this Report, we have also considered the requirements of the IFRS S2 Sustainability Disclosure Standard for Climate-related Disclosures and the draft UK SRS S2 Climate-related disclosures.

We are committed to providing comprehensive and transparent disclosure on climate-related risks and opportunities and in addition to the information included in this Report, Grainger makes the following public disclosures:

1. Grainger's Net Zero Carbon Pathway which provides a summary of our Net Zero Transition Plan is published on our website (corporate.graingerplc.co.uk).

2. Details on the recommended topics and metrics for Grainger's real estate portfolio are reported in the EPRA Sustainability Report which is also published on our website.

3. We also respond annually to the CDP Climate Change Programme and our responses are publicly available at: https://www.cdp.net/en/responses

The following table signposts where further relevant information is provided in this Report.

TCFD recommendations	Description	Further information
Governance		
1. Board oversight of climate-related risks and opportunities	The Board has oversight of the Company's business strategy including climate-related matters. On behalf of the Board: a. the Audit & Risk Committee undertakes a twice-yearly review of the Company's principal risks and uncertainties including climate-related risks; and b. the Responsible Business Committee reviews climate-related risks and opportunities, strategic implications and our Net Zero Transition Plan including progress against the plan.	Audit & Risk Committee Report page 95 Responsible Business Committee Report page 92
2. Management's role in assessing and managing climate-related risks and opportunities	The Executive Committee assesses and manages climate-related risks and opportunities using the Company's risk management framework and by operating a 'three lines of defence' model.	Risk Management and Internal Controls page 62
Strategy		
3. Climate-related risks and opportunities over the short, medium, and long-term	Climate-related risks are included in our principal risks and uncertainties. Material climate-related risks and opportunities affecting the business include: a. over the short-term increasing regulation and flood risk; and b. over the medium to long-term chronic temperature change and impacts on customer and investor demand.	Principal Risks and Uncertainties page 69
4. Impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning	The potential impacts of climate-related risks and opportunities on our business strategy and financial planning include increasing investment in energy efficiency and electrification of our assets, meeting higher stakeholder expectations and enhanced access to capital.	Principal Risks and Uncertainties page 69
5. Resilience of the organisation's strategy taking into consideration different scenarios	We have assessed our property portfolio for transition risks and physical risks under three scenarios and we believe the strategic focus on investing in high-quality, energy efficient rental homes supports the Company's resilience in the short, medium and long-term.	TCFD Report page 58
Risk management		
6. Processes for identifying and assessing climate-related risks	Climate-related risks are identified and assessed at business, portfolio and asset level. Risks are assessed through our risk scoring tool in alignment with all material risks.	Risk Management and Internal Controls page 61
7. Processes for managing climate-related risks	Climate-related risks are managed through our risk management framework and by the operation of the 'three lines of defence' model including through regular reviews by the Executive Committee and the Oversight Committees.	Risk Management and Internal Controls page 62

Task Force on Climate-Related Financial Disclosures continued

8. How processes for identifying, assessing, and managing climate-related risks are integrated into overall risk management	Climate-related risks are integrated into our risk management framework which applies to all principal risks and uncertainties .	Risk Management and Internal Controls page 61
Metrics and targets		
9. Metrics to manage climate-related risks and opportunities	Management use KPIs to monitor and manage climate-related risks and opportunities.	Non-financial KPIs page 30
10. Disclosure of Scope 1, 2 and 3 GHG emissions	Scope 1, 2 and 3 GHG emissions are included in our SECR Statement.	SECR page 48
11. Targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Grainger's science-based target has been validated by SBTi. Grainger has carbon related LTIP targets and progress against actions contributing to these targets is reported throughout this Report.	SECR page 52 Directors' Remuneration Report page 113

Governance

Board oversight of climate-related risks and opportunities

On behalf of the Board, the Audit & Risk Committee and the Responsible Business Committee have oversight of climate-related risks and opportunities and this responsibility is reflected in each of their Terms of Reference.

All Directors attend these Committee meetings which include reporting on climate-related risks and opportunities as an agenda item at least twice a year.

The Board includes Directors who have climate-related expertise and experience and the Nominations Committee conducts regular reviews of the Board's composition which includes reviewing the skills and experience of each Director. The Board also as part of its annual effectiveness review considers the balance of skills and experience on the Board and its Committees to ensure it remains appropriate to oversee the business's strategies including those relating to climate-related risks and opportunities.

The Responsible Business Committee meets twice a year and receives an update on our Net Zero Transition Plan and associated actions and workstreams, a regulatory update and an overview of stakeholder engagement activity for climate-related matters. It oversees the setting of climate-related targets including approving the science-based target which was validated by SBTi during the year, and the carbon metrics which are incorporated into the LTIP performance conditions for awards to the Executive Directors. Reporting related to this is included in the Directors' Remuneration Report on page 113. A progress update on climate-related targets and other related objectives is included as a standing agenda item at all meetings.

The Board considers climate-related risks and opportunities in its reviews of the organisation's strategy. Where applicable, the environmental impacts of potential transactions and associated trade-offs are recorded in Investment Committee papers, ensuring climate-related risks and opportunities are considered in all significant transactions. The Audit & Risk Committee reviews the Company's principal risks and uncertainties, which include climate-related risks, at least twice a year and considers Management's mitigations and controls as part of this review.

Management's role in assessing and managing climate-related risks and opportunities

The Board has delegated responsibility for the day-to-day management of climate-related issues to the CEO and the Executive Committee. The climate-related updates that are provided to the Board and its Committees are reviewed by the Executive Committee ahead of submission, and the Executive Committee monitors progress against the Company's climate-related targets and objectives.

The Company's principal risks and uncertainties, which include climate-related risks are also reviewed at Executive Committee meetings every six months. They are also considered at meetings of relevant Oversight Committees which report into the Executive Committee, including the Investment Committee which considers climate-related risks and opportunities related to property investments; and the Development Board which considers environmental risks and opportunities related to BTR development projects. These arrangements ensure the controls and procedures to manage climate-related risks and opportunities are integrated across the business functions. The CEO and CFO attend meetings of the Executive and Oversight Committees.

The CFO also has oversight of the Sustainability Team which contributes to the day-to-day management of climate-related risks and opportunities. Progress is monitored through quarterly KPI reviews by the Finance Committee.

Grainger's Internal Audit programme includes regular audits of the Sustainability Team's activities and key climate-related processes and controls.

Climate Governance Framework

Grainger plc Board

- Considers climate-related matters in reviewing the organisation's strategy.
- Considers climate-related risks and opportunities in key decision-making.
- Receives regular sustainability updates incorporating relevant updates on climate-related targets, risks and opportunities.

Audit & Risk Committee

Reviews principal risks and uncertainties including climate-related risks, mitigations and controls at least twice a year.

Remuneration Committee

Considers climate-related metrics and targets incorporated into Executive remuneration.

Responsible Business Committee

Oversight of climate-related strategies and policies. Reviews climate-related strategy, targets and metrics, and risks and opportunities twice a year.

Nominations Committee

Reviews Board composition and effectiveness related to all duties including sustainability.

Executive Committee

- Delegated responsibility for the day-to-day management of climate-related issues.
- Reviews all climate-related updates provided to the Board.
- Reviews principal risks and uncertainties including climate-related risks twice a year.
- Receives regular updates from the Head of Sustainability.

Oversight Committees

Management Committee

Considers climate-related risks and opportunities related to day-to-day management of the business.

Investment Committee

Reviews climate-related risks and opportunities related to property investments.

Finance Committee

Oversight of the Sustainability function. Receives regular updates from Head of Sustainability and reviews climate-related KPIs.

Operations Board

Considers climate-related matters relevant to the operations and asset management of the Company's property portfolio.

Development Board

Considers climate-related risks and opportunities related to BTR development projects.

Health & Safety Committee

Considers climate-related risks and opportunities impacting on Health & Safety and oversees the Business Continuity Programme.

Task Force on Climate-Related Financial Disclosures continued

Strategy

Climate-related risks and opportunities Grainger has identified over the short, medium, and long-term

- Short-term risks are forward-looking to 2030, aligned to the time horizon used for the Company's strategy, financial planning and asset hierarchy planning.
- Medium-term risks are forward-looking to 2050, aligned to the UK Government's net zero target and the timeline used for our Net Zero Transition Plan.
- Long-term risks are looking beyond 2050 and are open-ended to reflect the full asset lifecycle, which can extend to 100 years or beyond.

The potential climate-related risks and opportunities identified that could have a material financial impact on the Company are:

Category	Sub-category	Classification	Risk / opportunity	Timeline	Company response
Transition	**Policy, Legal and Technology**	**Risk**	Costs and technology implications of new legislation including new building regulations	Short-term (<2030)	– Specification for new developments considers energy and carbon
		Risk	Potential for stranded assets if properties do not comply with Minimum Energy Efficiency Standards	Short-term (<2030)	– Refurbishments programme to increase energy efficiency – Policy engagement with Government
	Market	**Opportunity**	Increased revenues from development opportunities meeting the increased demand for energy efficient homes	Short-term (<2030)	– Our sustainability approach including climate-related strategies is integrated into bid documentation for potential developments and in reporting to development partners
		Opportunity	Increased access to capital from responsible investors	Short-term (<2030)	– Sustainable Finance Framework – Extensive sustainability disclosures to investors
		Risk	Increasing costs and energy security issues, resulting from climate-related changes to the UK's energy sources and infrastructure	Short-term (<2030)	– Energy broker partnership and central energy contracts for Grainger procured energy – Refurbishments programme to increase energy efficiency – Investing in energy efficient buildings and reducing our customers' energy bills – Reducing reliance on energy networks operated by third parties and exploring alternative energy supplies for new developments
	Reputation	**Risk**	Investment in the Company may be impacted by investor responses to climate-related issues	Short-term (<2030)	– Climate-related criteria integrated into asset investment and recycling strategies – Strategy to enhance the energy efficiency of our assets and ensure compliance
	Market	**Risk and Opportunity**	Impacts of changing weather patterns and energy efficiency on customer demand for Grainger's properties	Long-term (>2050)	– Due diligence of acquisitions and existing assets includes climate risks and energy efficiency – Refurbishments programme to increase energy efficiency – Customer awareness campaigns to influence behaviour
Physical	**Acute and Chronic**	**Risk**	Increased risk of flooding affecting Grainger's properties	Short-term (<2030)	– Due diligence of acquisitions and existing assets includes flood risk – Mitigation strategies including flood management plans in operation at assets with identified potential risk
	Acute	**Risk**	Increased severity and frequency of extreme weather events affecting Grainger's properties or development sites	Medium-term (<2050)	– Business Continuity Programme in place – Due diligence of acquisitions and existing assets includes physical climate risks – Mitigation strategies in operation at assets with identified potential risk
	Chronic	**Risk**	Increased risk of heat stress affecting Grainger's properties	Long-term (>2050)	– Due diligence of acquisitions and existing assets includes physical climate risks – Mitigation strategies in operation at assets with identified potential risk

Impact of climate-related risks and opportunities on Grainger's business, strategy, and financial planning

Our purpose and business model is to invest in high-quality, energy efficient rental homes which we plan to hold for the long-term. Climate-related risks and opportunities have been considered as part of our reviews of business strategies for the development, acquisition, refurbishment and asset recycling of buildings. Changes made in response to potential climate-related risks and opportunities include:

- Enhanced asset due diligence for acquisitions.
- Integrating standards for energy efficiency and fossil-fuel free heating into our bespoke specification for new developments.
- Incorporation of energy and carbon criteria into our asset hierarchy.
- Increased investment in refurbishments to enhance the energy efficiency of assets.

We therefore consider the current effects of climate-related risks and opportunities on the Company's business model to be limited. Transition risks largely affect the non-core assets which we plan to sell in line with our business strategy. In the long-term, transition risks relating to development activity and the associated embodied carbon it generates may impact on our business model for new developments. Growth is expected to continue through a combination of new development and acquisition of stabilised assets.

Although we have not to date experienced climate-related issues driving customer decision-making on where to rent, we are seeing increased interest in this area from our customers and expect that in the long-term our portfolio will be responsive to changing customer demands due to the focus of our asset management strategy on energy efficiency and customer satisfaction. We believe our business model is well placed to benefit in the future in the event that customer decision-making does end up being based on the inclusion of climate-related factors.

Physical risks are concentrated in our BTR portfolio where, due to the scale of these buildings and our cluster strategy, a higher proportion of customers could be affected by acute risks such as a major flood event affecting multiple assets. Chronic risks are concentrated in our London and South East portfolio where scenario analysis has identified a greater proportion of assets vulnerable to risks such as heat stress and drought in a higher warming scenario. Transition risks are concentrated in the PRS portfolio where assets will require capital expenditure to meet higher standards of energy efficiency and to decarbonise heating in alignment with future regulations.

Climate-related opportunities are concentrated in the business's BTR portfolio and in repositioning long-term hold assets to meet future customer demand for properties that are highly energy efficient and resilient to increasing temperatures.

Our strategy to achieve our climate-related targets is to:

- Increase the energy efficiency of the portfolio;
- Decarbonise heating in homes;
- Procure renewable energy for all Grainger purchased energy; and
- Measure and reduce embodied carbon through the design, construction and operation of BTR buildings.

To deliver these targets, we have made the following strategy and resource allocation decisions:

- Dedicated budgets to improve energy efficiency of our portfolio and achieve EPC C rating or above on all PRS properties.
- Investment in research and development to pilot low-carbon heating systems in our buildings.
- Developed net zero asset plans for long-term hold assets with associated refurbishment plans.
- Reviewed the specification for new BTR developments ensuring it is aligned to our energy and GHG targets.

We have a Net Zero Transition Plan, which is summarised in the Net Zero Carbon Pathway published on our website (corporate.graingerplc.co.uk). This transition plan has been developed and disclosed with consideration of the UK's commitment to be a net zero economy by 2050. We support this commitment and our transition plan is aligned to the UK Government's target. Government policies have informed the actions and timelines set out in our transition plan. The key assumptions and dependencies that inform the plan are the timeline for decarbonisation of the UK electricity grid, and the Government's policy for decarbonising heating in homes including equalising running costs of heat pumps to gas boilers and the introduction of mandatory emissions thresholds for heat networks.

We recognise that engaging with our key stakeholders is critical to delivering our Net Zero Transition Plan. We have implemented a comprehensive programme of engagement with our customers, suppliers and our industry, which is reported on in our Net Zero Carbon Pathway and a progress update is provided in this Report at page 47.

The potential impacts on the Company's financial position and financial performance include:

- Changes in costs relating to insurance, energy procurement, investment in adaptation measures and compliance with regulation;
- Changes in revenues from rental income and sales for assets that have undergone energy efficiency improvements;
- Changes in the value of assets following improvements to energy efficiency and increased investment in new developments;
- Potential for decreased asset values or early retirement of assets due to physical climate-related risks or any potential non-compliance with climate regulation; and
- Increased access to capital from responsible lenders and investors.

Our financial planning processes reflect the climate-related risks and opportunities we have identified, prioritising any requirements necessary to maintain regulatory compliance, deliver our Net Zero Transition Plan and maintain high levels of customer satisfaction. Each one-year budget and our five-year business plan both include estimates of the costs required to improve the energy efficiency and carbon performance of our assets. We do not currently use a bespoke internal carbon price, however in London we refer to an external carbon price in our decision-making, which is the £95 per tonne price set by the Greater London Authority for carbon offset funds which Grainger pays into on its developments in London.

Task Force on Climate-Related Financial Disclosures continued

The effects of climate-related risks and opportunities on our financial position, performance and cash flows in the reporting period have been minimal. Capital expenditure related to energy efficiency improvements to our properties continues. The scale of this investment is within our normal levels of capital expenditure and the climate-related improvements usually form part of wider packages of asset improvements and we do not consider it possible to quantify the impact of these considerations on the financial position or financial performance of the Company. Climate-related considerations form part of discussions with the external valuers of our assets, however we have not yet seen the energy efficiency performance of our assets reflected in our valuations. We consider that there is no significant risk of material adjustments within the next financial year arising from this. In the short term we anticipate a continuation of capital expenditures and investment as we upgrade the energy efficiency of existing properties and decarbonise heating systems in new development projects.

The impacts of climate-related risks and opportunities on demand for assets and the future investment market have also been considered. In the medium term, we expect to see customer demand for energy efficient properties to increase which may increase revenues from rental income. Data published by Hamptons indicates that renters spend on average 8% of the cost of their rent on energy bills. We estimate that our customers may be willing to pay a rental uplift of 5% for a more efficient property. When determining which energy efficiency improvements to make to our buildings, we factor in the potential effects on running costs for customers and associated impacts on affordability, satisfaction and retention. For example, we are planning to commence a replacement programme for gas boilers once the costs of heat pumps achieve parity in line with the Government's Heat and Buildings Strategy.

We intend to replace commercial scale and individual boilers when they reach the end of their useful life from 2030 onwards and we expect to incur capital expenditure to fund this investment programme between 2030 and 2040.

Glasshouse Square, Bristol

Resilience of Grainger's strategy, taking into consideration different climate-related scenarios

We are supportive of the Government's target to transition to a net zero carbon economy consistent with the Paris Agreement goal to limit warming to well below 2°C and pursue efforts towards 1.5°C. We have considered the resilience of our strategy to this transition through considering the climate-related scenarios used by the Government to develop its climate-related policies. We consider these scenarios relevant to assess the resilience of Grainger's business because they identify implications for residential properties and inform the policies that sit as assumptions behind our transition plan. The key assumptions are that:

- Heat pumps will be the preferred strategy for heating new homes;
- The rate of decarbonisation of the UK electricity grid; and
- The extent of customer behaviour change.

This analysis is reviewed on an annual basis and considers short- and medium-term timelines up to 2050 in alignment with the Government's net zero target deadline.

This analysis demonstrated that our strategy to sell non-core assets and invest in highly energy efficient new homes is resilient in the face of increasing regulatory risk. We have enhanced our asset management strategies, introduced policies to align to future climate-related regulation such as minimum energy efficiency standards and made a commitment to transition our portfolio away from fossil fuel heating.

We have considered the potential impact of three climate Representative Concentration Pathways (RCP) scenarios published by the Intergovernmental Panel for Climate Change on the vulnerability of our real estate portfolio and pipeline to physical climate risks:

- RCP 2.6 which aims to keep global warming at +1.5°C (below 2°C) above pre-industrial temperatures. This scenario aligns to the Paris Agreement and requires prompt and significant reduction of GHG emissions.
- RCP 4.5 which is an intermediate scenario and assumes global warming of 2.5 to 3°C over the longer term.
- RCP 8.5 which assumes minimal abatement of GHG and associated global warming of 4°C over the longer term.

These scenarios were considered over four timelines: the current position, short-term (2030), medium-term (2050) and long-term (2100 and beyond) and considered all current BTR assets and pipeline assets. The assessment was reviewed during 2025 and our assessments indicate that our portfolio would remain operational under all scenarios, albeit with potentially higher levels of flood and drought risk, in line with many urban areas.

The assessment identified some acute risk exposure to flood and windstorm risks. Windstorm risk is typical for the UK and could affect all assets with moderate (medium) intensity. Our strategy to invest in urban locations results in some exposure to flood risk in locations such as Bristol, Leeds and London and one asset in Southampton is exposed to storm surge. Affected assets have appropriate mitigations incorporated into their design and operation.

Seraphina Apartments,
Fortunes Dock cluster, Canning Town

Under a high emissions scenario from 2050, drought stress and heat stress increase and become a medium risk which could impact water scarcity and customer wellbeing, however in the short-term or under a low emissions scenario, these risks are rated low or very low risk. We undertake overheating assessments for all new developments and ensure passive measures to minimise overheating risk are incorporated into the building design. Subsidence conditions also increase beyond 2050 under both scenarios. We will continue to assess potential risks in due diligence for future acquisitions and to make appropriate adaptations where required.

A water quality assessment identified that given the urban locations of Grainger's assets, our portfolio has high exposure to water pollution in surface water. Site specific adaptations to minimise surface water flood risk are considered in the design of our developments. Drinking water was not identified as being a risk and remains well within World Health Organisation safety thresholds.

A biodiversity assessment identified that approximately 22% of our portfolio is exposed to areas of moderate to very high biodiversity intactness. Site specific measures to protect and enhance biodiversity are implemented across our portfolio and we have strategies to enhance biodiversity at our strategic land sites.

This analysis focuses on the vulnerability of the locations of our portfolio and pipeline assets to climate change and does not take into account specific asset mitigation measures and municipal flood protection.

We consider that it is not possible to quantify an isolated impact from these scenarios on our financial performance and position at this time. To ensure the business remains resilient, we have the following capacity to adapt our strategy:

- Flexibility to deploy capital to asset improvements that safeguard against transition and physical risks;
- Regular reviews of our asset hierarchy with the ability to retain and refurbish additional assets;
- Option to pursue growth through new acquisitions; and
- Capacity to meet short-term costs if one or more assets are affected by an acute climate event.

Risk management

Processes for identifying, assessing and managing climate-related risks and opportunities

Climate-related risks are included as a principal risk and uncertainty to the business's strategy and included in our corporate risk management framework (see page 69). Risks are considered in relation to all business operations and the Company's full operational real estate portfolio and pipeline.

Corporate and portfolio level risks and opportunities are identified through periodic sustainability materiality reviews, regular monitoring of current and emerging regulation and ongoing stakeholder engagement. We work closely with industry bodies, partners and relevant advisers to identify, understand and respond to risks and opportunities affecting Grainger and our sector.

Asset level risks and opportunities for existing assets are identified and reviewed through our annual asset hierarchy assessment, quarterly asset reviews and scenario analysis undertaken annually for transition risks and every three years for physical risks. These assessments are informed by data on our properties which is obtained from a range of sources including site inspections, audits and insurance cover reviews. Risks relating to new acquisitions or developments are identified through due diligence undertaken pre-acquisition and pre-investment and reviewed through the Investment Committee's evaluation process. Where a risk is identified in relation to a development proposal, appropriate mitigations will be incorporated into the building design and where a risk is identified in relation to a stabilised asset, we will include mitigations in our integration plans.

Risks are prioritised through an assessment of the nature, likelihood and magnitude of the effects using a quantitative scoring matrix including thresholds to assess financial impact and a qualitative review of the impact on our business strategy. Risks are considered in line with the methodology used to assess all principal risks and uncertainties and inform the Company's overall risk management process which is reported on page 61. There have been no changes to this process during the reporting period.

Climate-related risks are monitored through regular risk reviews undertaken by the Oversight Committees, including the Finance Committee, the Development Board and Operations Board. The outputs are fed into the principal risk and uncertainties reviews undertaken by the Executive Committee, the Audit & Risk Committee and the Board during the year. Reviewing climate-related risks and controls is incorporated into our internal controls and Internal Audit programme.

Metrics and targets

Climate-related metrics

The Company's greenhouse gas emissions for Scopes 1, 2 and 3 are reported in the SECR statement on pages 48 to 52 of this Report. Emissions have been calculated in alignment with the GHG Protocol Corporate Standard and all Scope 1 and 2 emissions and material Scope 3 categories have been externally verified to a limited assurance standard.

Task Force on Climate-Related Financial Disclosures continued

Metrics related to the real estate sector sustainability disclosure topics of energy and water management, management of tenant sustainability impacts and climate change adaptation are provided in the Company's annual EPRA Sustainability Reports, which are available on our website (corporate.graingerplc.co.uk).

The following cross-industry metrics and sector-specific metrics are aligned to our Net Zero Transition Plan and provide an overview of the Company's exposure to climate-related risks and opportunities:

Metric category	Metric	FY24	FY25
GHG emissions	GHG emissions (Scope 1 and 2)	1,796 tonnes CO_2e	1,455 tonnes CO_2e
	GHG emissions (Scope 3)	69,640 tonnes CO_2e	54,042 tonnes CO_2e
	GHG emissions per unit (based on emissions reported on EPC certificates)	1.6 tonnes CO_2 per unit	1.5 tonnes CO_2 per unit
	GHG emissions intensity for PRS properties per m^2	21 kg CO_2e per m^2	18 kg CO_2e per m^2
	Progress against absolute Scope 1 and 2 science-based target	6% reduction from FY23 baseline	24% reduction from FY23 baseline
	Progress against intensity Scope 3 science-based target	28% reduction per m^2 from FY23 baseline	46% reduction per m^2 from FY23 baseline
Transition risks	% of PRS assets rated EPC A-C	94% rated A-C	96% rated A-C
	% of BTR assets with low-carbon heating (properties with non-gas heating)	69% of BTR properties	68% of BTR properties
	Energy consumption in MWh % renewable electricity	16,636 MWh 95% renewable	17,448 MWh 97% renewable
Physical risks	Value of PRS assets vulnerable to flood risk (in locations with medium or high flood risk)	£796 million	£926 million
Climate-related opportunities	Value and % of PRS assets rated EPC B and above and associated revenues	£1.6 billion; 65.7% by value; 57.7% of revenue	£1.9 billion; 70% by value; 64.2% of revenue
Capital deployment	Capital expenditure deployed towards energy efficiency	£10.8 million	£11.3 million
Internal carbon prices	Carbon price used in Grainger's decision-making	Grainger does not currently have a bespoke internal carbon price, but refers to an external carbon price of £95 per tonne in our decision-making	Grainger does not currently have a bespoke internal carbon price, but refers to an external carbon price of £95 per tonne in our decision-making
Remuneration	Proportion of Executive remuneration linked to climate considerations	10% of the 2024 LTIP	10% of the 2025 LTIP and 1% of the 2025 annual bonus opportunity

Climate-related targets

During the reporting year, our science-based target was validated by SBTi. The target is a near term target which is as follows:

Grainger plc commits to reduce absolute Scope 1 and 2 GHG emissions 42% by FY30 from a FY23 base year[1]. Grainger plc also commits to reduce Scope 3 GHG emissions from capital goods and downstream leased assets 51.6% per m^2 residential gross internal area within the same timeframe.

We have made strong progress towards our target in the first two years since our baseline year (FY23), achieving reductions of 24% in absolute Scope 1 and 2 emissions and 46% for Scope 3 emissions from capital goods and downstream leased assets per m^2 residential gross internal area. Detailed disclosure on target progress is provided on page 52.

Our Net Zero Carbon Pathway includes our key objectives and actions towards achieving our targets. For operational carbon reductions impacting our Scope 1 and 2 emissions and Scope 3 emissions from downstream leased assets, these include our refurbishment programmes, ensuring 100% of PRS properties achieve EPC Rating C or above and purchasing 100% renewable energy for all eligible supplies. To reduce embodied carbon from development and refurbishment projects impacting our capital goods emissions, we work closely with our development partners and contractors to target reductions through lean design and through lower-carbon construction methods and materials choices.

Our emissions reduction targets support climate mitigation and are aligned to our Net Zero Transition Plan. Progress towards our targets is reviewed by Management through quarterly assessments of key performance indicators and annual progress reviews and by the Responsible Business Committee at its meetings twice a year.

1. The target boundary includes land-related emissions and removals from bioenergy.

Risk management and internal controls

This section of the Strategic Report details our risk management and internal control arrangements, as well as reporting on our principal risks and uncertainties. Further information relating to these matters are also included in our Audit & Risk Committee Report, which can be found at page 95.

Effective risk management contributing to delivering sustainable growth

Our risk management framework is designed to identify the principal risks and uncertainties to our business and ensure that:

- **they are being appropriately monitored;**
- **there are appropriate and suitable controls in place; and**
- **required actions have clear ownership and accountability.**

Risk management approach

Risk management is central to us meeting our operational and strategic objectives, it supports effective decision-making and ensures we balance risk with returns.

The Board has ultimate responsibility for oversight of our risk management framework and internal control systems, and for determining the Group's risk appetite. The Board has delegated matters relating to risk to the Audit & Risk Committee. See page 95 for the Audit & Risk Committee Report which includes information on the activities of the Committee.

We continue to evolve our mature risk management framework through which we identify and assess potential risks and establish appropriate controls and mitigations to reduce risk to tolerable levels. The process also identifies principal risks and uncertainties that could significantly impact the business (see pages 64 to 69 for further information). We also establish formal risk appetite statements for those principal risks and uncertainties. Our objective is not to eliminate all risk but to ensure that each risk remains at a tolerable level.

Risk assessment approach

We assess and identify risk using a 'bottom-up' and a 'top-down' approach. Once identified, we determine the potential probability and impact of each risk and give it a gross (before mitigation) and net (after mitigation) score. This allows us to assess whether risks are within appetite and tolerable and which require further treatment.

During the year we have taken the opportunity to review our impact and probability scales within the risk-scoring matrix to ensure they reflect our current operating and external environment. We use this risk-scoring matrix to ensure we take a consistent approach when assessing their overall impact and that matrix includes a range of potential impacts including financial, operational and reputational impacts.

The period for assessment varies according to the risk. For example, the assessment of risks in operational areas are based on the likelihood of how often they occur in a rolling 12-month period while climate-related risks are assessed over a longer timeframe. We record the impact and likelihood scores and mitigations in Divisional risk registers.

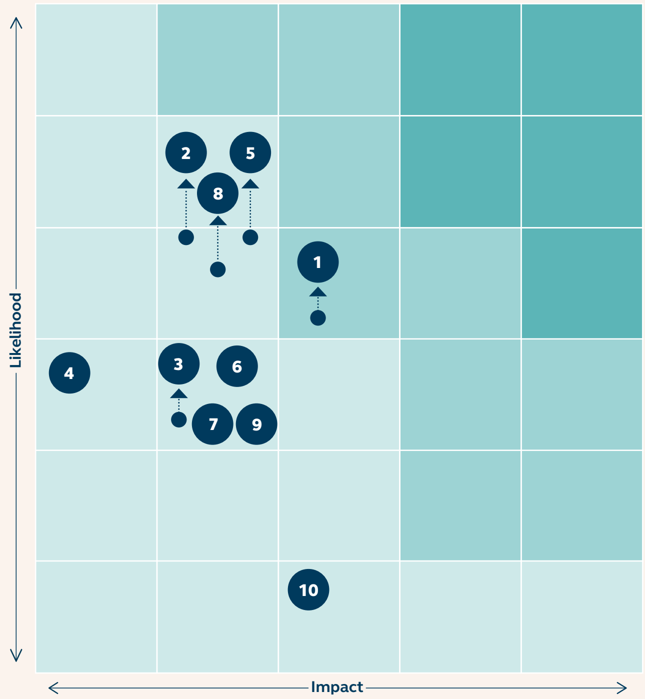
Page 86 sets out our governance framework, including a summary of the Group's Board and Executive Committee structure.

Mapping our key risks and movement (post-mitigation scoring)

Principal risks and uncertainties

1. Geopolitical and Macroeconomic
2. Financial
3. Political and regulatory
4. Colleagues
5. Supplier
6. Health and Building safety
7. Development
8. Cyber and information security
9. Customer Experience
10. Sustainability

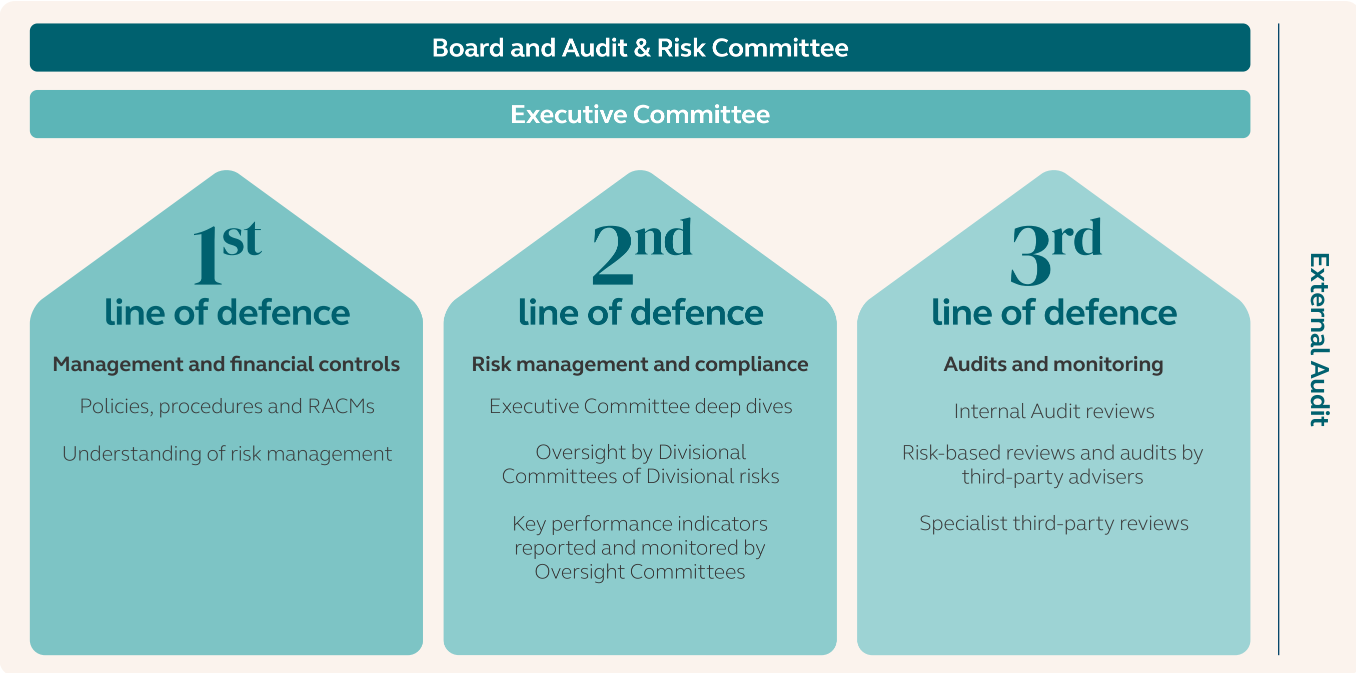
⇢ Indicates risk movement from last year



Risk management and internal controls continued

Risk and internal controls framework

We operate a three lines of defence model which is described in the diagram below.



Effective management of risk

Each year the Executive Committee agree a plan of risk management activities which are aligned to the business strategy, ensuring our risk focus is applied to key business priorities throughout the year.

Risk registers are regularly reviewed and updated as required. The relevant Oversight Committees review these registers at least quarterly while the Executive Committee reviews the Group principal risks and uncertainties at least twice a year. The output from these assessments and reviews are considered by the Audit & Risk Committee and presented to the Board at least twice a year. Through this process we have identified our principal risks and uncertainties which are set out in pages 64 to 69 of this report with explanations of the links to our strategy together with descriptions of the key mitigations which are in place.

Whilst we have not identified any new risks this year which are material enough to be considered as a new principal risk and uncertainty, we have assessed five risks as having increased in their likelihood assessment. The remaining five have remained stable. The diagram on page 61 maps our assessment of the principal risks and uncertainties, post-mitigation.

During the year we disaggregated our principal risks and uncertainties to support the identification of material controls in readiness for Provision 29 of the 2024 Code, which will apply to Grainger from 1 October 2026.

This work supports the identification of material controls and the effective design of our attestation and testing programme, enhancing assurance over risk management and internal controls.

Evolving and Emerging risks

The Board has continued to monitor emerging risks in addition to its regular monitoring of the current risk landscape. Emerging risks are those which are still evolving or for which the potential impact on the business remains unclear. Two examples of emerging risks being monitored include:

- Geopolitical risk – geopolitical events could have unforeseen impacts on the business through supply chains, commodity prices, inflation and interest rates or regulation.
- Longer term climate change – the specific impact of increasing climate change on temperatures or rainfall levels and the consequent impact to our buildings and customers remains uncertain and may evolve.

Risk control framework and appetite

The Executive Committee and the Oversight Committees examine the identified risks, reported controls, key mitigations and the principal risks and uncertainties reporting.

The Audit & Risk Committee supports the Board by monitoring and reviewing the controls environment and risk process.

These processes ensure we regularly review our principal risks and uncertainties.

We monitor the internal control framework for these principal risks and uncertainties through the Internal Audit monitoring plan which is aligned to our assurance map.

Further information on our internal controls is included in the Audit & Risk Committee Report on page 95.

Assurance on our risk controls is provided to the Board by a combination of internal management information, internal and external auditors work, and the Audit & Risk Committee's oversight. We also hold an assurance map for our principal and operational risks which is considered in our audit planning.

Our risk management and internal control arrangements include data protection and health and building safety arrangements which are supported by our Oversight Committees (see page 86 for details of our Committees). Set out below are details of our data protection and health and building safety arrangements.

Data protection

The data protection activities of the business form part of our business-as-usual processes which are overseen by the Data Protection Committee, which includes senior representation from across the business and is chaired by our Group Legal Counsel who is also our Data Protection Lead.

The Executive Committee, Board, and Audit & Risk Committee receive regular updates on all matters and activities related to the ongoing development and support of our data protection compliance framework. This ensures that our leadership maintains clear oversight and that our compliance regime continues to evolve in line with developments in best practices and in accordance with the evolving regulatory and statutory requirements.

This year we have considered data breaches arising from cybersecurity incidents experienced by Marks & Spencer, Co-op, Jaguar Land Rover and others. We have also adapted our processes in line with the Data (Use and Access) Act 2025.

Health and Building Safety

The safety and wellbeing of our colleagues, customers and communities remains our highest priority.

Governance and oversight

The Group operates a comprehensive H&S management system led by the Director of H&S, utilising risk management systems for identifying, mitigating and reporting real-time H&S information.

Our governance structure includes:

- A H&S Committee with colleagues from across the organisation, responsible for overseeing management and monitoring compliance with laws and regulations;
- A new H&S Forum being established to enhance colleague engagement;
- Oversight by the Operations Board
- Regular reporting to the Board at each meeting; and
- Annual presentations to the Board by the Director of H&S on strategy and business planning.

For building safety specifically, we have dedicated arrangements headed by a Director of Building Safety and Block Management. The Building and Fire Safety Team monitors and promotes building safety through established policies, procedures, regular risk assessments, structural surveys, and inspections.

Live.Safe programme

Our Live.Safe programme embeds a proactive safety culture throughout Grainger, empowering colleagues to speak up about safety concerns. This cultural change programme aligns with our corporate strategy and is built upon three key pillars:

- Originate.Safe: ensuring the highest standards in design and construction;
- Invest.Safe: conducting thorough due diligence when acquiring properties; and
- Operate.Safe: putting customers at the heart of our management plans.

We implement Live.Safe through:

- Annual Live.Safe Weeks;
- Comprehensive training;
- Online resources;
- Safety Climate Surveys;
- Executive leadership; and
- Continuous improvement following the Plan, Do, Check, Act method.

Safety performance

Our annual Safety Climate Survey demonstrates continued year-on-year improvement, with results surpassing both the All Industries and the Real Estate and Facilities Management benchmarks across all eight measured factors. This independent assessment evaluates key factors such as leadership, communication, colleague involvement, and attitudes.

This achievement reflects our commitment to creating safe environments for both colleagues and customers, ensuring safety remains central to everything we do.

Customer and building safety

Our frontline teams highlight our safety approach through Health, Safety and Security weeks across our BTR properties, offering practical safety tips with support from local emergency services.

Grainger maintains a constructive relationship with the Building Safety Regulator, resulting in the progressive issuance of Building Safety Certificates across our in-scope buildings. We engage with building occupants to provide information, gather feedback, and promote awareness of safety measures and emergency procedures, including comprehensive emergency plans and regular drills.

Together, these arrangements ensure we maintain our 'best-in-class' focus on health and building safety, safeguarding our colleagues, customers, and all visitors to our sites while continuously improving through learning from audits, inspections, and incidents.

Principal risks and uncertainties

Managing our principal risks and uncertainties

The Directors regularly review the Group's principal risks and uncertainties taking into account Management's reporting on risk, internal controls and emerging risks.

Principal risks, uncertainties and opportunities

Principal risks and uncertainties are considered by the Board as part of the strategy setting and in the consideration of new opportunities and potential investments.

The Audit & Risk Committee review deep dive reports on each of the principal risks and uncertainties on a rolling programme to allow in depth discussion and consideration of individual risks. Further information on our risk deep dives is included in the Audit & Risk Committee Report on page 95.

The Audit & Risk Committee also reviews and maintains formal risk appetite statements for each principal risk and uncertainty. The Directors generally adopt a low tolerance for risk, particularly in respect of regulatory or reputational matters. In relation to development risk, a medium risk appetite is tolerated in order to continue to capitalise on the substantial opportunity within the residential real estate sector.

UK outlook

The UK faces a severe undersupply of housing; supply will continue to be constrained with current planning permissions and housing starts insufficient to meet growing demand. Rental demand is set to grow as the UK population continues to increase. Structural changes continue to drive demand as more people rent for longer. We have clear and strong customer demographics, using carefully selected investment locations. All of these factors are presenting exciting acquisition opportunities as we pursue multiple routes for future growth and secure investment opportunities.

The economy continues to grow, albeit with concerns around business confidence and employment levels. The Bank of England expects inflation to trend towards the 2% target by 2027, which could set a more favourable interest rate environment in the coming years which will offer a greater degree of pricing certainty. The levelling off of construction cost inflation should prove supportive to the overall viability of development in the next 12 to 18 months.

2025 has been another busy year for the PRS, smaller landlords have reassessed their investments leading to many exiting the market. During the remainder of 2025, we will continue in our preparations for the Renter's Rights Act, we believe investing in more sustainable housing stock supports these changes. While some small private landlords are choosing to exit, a more professional, resilient market is emerging. 2026 will be more of the same as we focus on strong demand, a maturing investor base and a shift toward quality and scale which are reshaping the sector for the better.

As the market leader in the BTR sector, we are well positioned for the future. Our research delivers granular understanding of customer affordability and ensures that our high-quality, energy efficient homes achieve the desired mid-market position within our sector.

Going forward, we continue to scrutinise those risks most likely to impact our business model and disrupt operations.

Geopolitical and Macroeconomic

Increasing

Low growth and inflationary pressures

Risk description

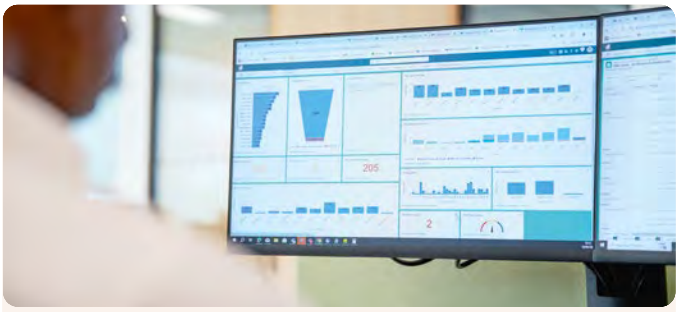
Geopolitical and national events influence macroeconomic trends (such as changes to inflation and interest rates) that impact investor confidence or consumer sentiment, choice and wealth, impacting performance and valuation of our portfolio.

Impact on strategy

The geopolitical and macroeconomic environment presents interconnected risks including inflation pressures affecting unemployment and consumer affordability, increased development and operational costs, potential impact on asset capital valuations with constrained growth, interest rate sensitivity affecting debt servicing costs, reduced consumer sentiment, market liquidity constraints, regulatory environment changes including taxation, and supply chain disruption from tariffs and trade impacts. These risks impact on strategic decisions around investment, development, and asset management.

Key mitigations

- We monitor inflation, interest rates, and GDP trends and assess impact on development costs, asset values and consumer affordability.
- Prepare for taxation and tariff changes.
- Strong rental demand as UK continues to face an ongoing housing shortage and customer affordability issues make renting more attractive.
- Our customer affordability is underpinned by strong customer demographics and energy efficient properties and our mid-market positioning supports our long-term sustainable growth.
- Our development arrangements ensure we maintain optionality and flexibility on the delivery of our pipeline and we monitor our capital ensuring we deploy investment into development matters carefully, and in accordance with our capital allocation policy.
- Our joint venture partnerships enable us to combine resources, expertise, networks and risk-sharing.



Financial

Increasing

Bank of England's cautious approach to interest rate reduction

Risk description

Macroeconomic factors such as changes to interest rates, market factors such as changes to credit spread or availability of finance, or a significant worsening of our business performance which collectively or individually impact on our ability to secure funding to support growth. For example, our ability to obtain sufficient finance at acceptable prices and/or increase the cost of any existing floating rate debt and/or ability to raise equity capital is altered.

Impact on strategy

Growth plans may be constrained by limited access to affordable finance or increased debt servicing costs.

Key mitigations

- In-house Treasury Team actively manages our capital arrangements including funding and debt levels as well as covenant compliance.
- Our current funding arrangements ensures we have no material refinancing requirements until 2029.
- We monitor financial markets and interest rate trends to ensure we maintain arrangements that provide protection against rising interest rates.
- Our Management Team are focused on growing net rental income which is supported by our efforts to maintain a strong lease up of our new BTR sites.
- We also have a liquid asset base which provides flexibility to our capital arrangements.

Impact on our business model: Invest Operate Originate **Impact on our strategy:** Grow rents Simplify and focus Build on our experience

Principal risks and uncertainties continued

Political and regulatory

Increasing

Renters' Rights Act, Taxation, Sustainability

Risk description

Developments in domestic political or policy landscape that impacts BTR, land development and housing sectors. Changes to policies and regulations can increase our operational and compliance costs and reduce growth. Failure to comply with regulations can also lead to fines, damage to our reputation and loss of business.

Impact on strategy

Operational efficiency and growth plans may be hindered by evolving regulations and political reforms.

Key mitigations

- We have in-house expertise within our Group Functions (e.g. Corporate Affairs, Finance, HR, Compliance and Governance teams) and we engage external professional services as required.
- We monitor policy and legislative changes and prepare for implementation of reforms engaging with business functions across the Group.
- We actively engage with the Government on matters affecting our sector.
- We have established policies and procedures, and we deliver training to colleagues to ensure we operate in compliance with relevant laws and regulations. We will update our arrangements to ensure compliance with new regulatory requirements.

Colleagues

Stable

Risk description

Failure to attract, develop, and retain a talented diverse workforce and provide an inclusive environment, leading to loss of key capabilities, individuals and experience from within the business.

Impact on strategy

Business performance and strategy delivery may be compromised due to talent gaps arising from a failure to recruit and retain. This could also reduce organisational resilience.

Key mitigations

- Our dedicated in-house HR Team has an established People Strategy which includes recruitment and retention strategies. Our People strategy is aligned to our business plan, and approved by the Board annually.
- We have defined values which direct our behaviours, and we actively monitor our culture.
- We are committed to raising awareness and encouraging a culture of equality, diversity and inclusion through ED&I initiatives which are delivered through our ED&I Steering Group and Network.
- Our colleague engagement measures include regular surveys and the appointment of our designated Non-Executive Director responsible for workforce engagement. We listen to the results of these engagements and actively seek to respond to feedback.

Cultural link to values: Every home matters People at the heart Leading the way Exceeding expectations

Supplier

Increasing

Geopolitical tensions, rising costs

Risk description

Failure to select, procure, retain and manage key suppliers and the impact on us of supplier acts and omissions, resulting in increased costs to the business, loss of supply, fines, damages and reputational damage.

Impact on strategy

Operational reliability and customer satisfaction may be affected, with potential regulatory consequences.

Negative impact on growth and increased workloads for colleagues in supplier and facilities management.

Key mitigations

- Our dedicated in-house Procurement Team has established procurement arrangements which include policies, a supplier code, supplier selection arrangements, together with oversight and contingency arrangements.
- Our published supplier code of conduct sets out our expectations and describes how we partner with our suppliers.
- We have clear supplier selection criteria which is set out in our Procurement Policy and ensures we select and appoint suppliers who have the relevant competencies and skills to carry out the work or services that we require.

Health & Building Safety

Stable

Risk description

A significant health and/or building safety incident, such as a fire or gas safety breach causing harm to customers, suppliers, colleagues and members of the public.

Impact on strategy

Non-compliance with safety standards may lead to legal, financial and reputational consequences as well as harm to customers, colleagues, contractors, or visitors to our sites.

Key mitigations

- Our in-house H&S and Building Safety Teams include individuals with specialists skills and experience. They establish and implement our strategies and operational plans to ensure compliance with safety regulations and best practices.
- Our arrangements ensure we operate in accordance with our three lines of defence model. Our H&S Team is responsible for policies, audit and compliance, which includes conducting regular audits and training. Our Building Safety Team are responsible for ensuring the safety of our homes and offices.
- We regularly engage with our colleagues and our customers on health and building safety matters through initiatives like Live.Safe and our Health, Safety and Security weeks.
- We carry out routine property inspections and we have a programme of planned preventative maintenance which includes compliance assessments to ensure the safety of our residents.

Impact on our business model: Invest Operate Originate **Impact on our strategy:** Grow rents Simplify and focus Build on our experience

Principal risks and uncertainties continued

Development

Stable

Risk description

We allocate a portion of our capital to development activities which may be complex and potentially bring multiple related risks. Increased costs including build cost inflation, labour and material shortages. Reduction in value through economic climate.

Impact on strategy

Delays or failures in development execution may hinder growth and investor confidence.

Key mitigations

- We have a dedicated Development Team which delivers our strategy to secure suitable land and manage our construction risks. Before committing to a scheme, we carry out thorough due diligence and in-depth research to ensure we understand the context, the contractor and its supply chain.
- We have well established governance structures which provide oversight of all of our development schemes, applying the skills of our in-house development management experts, together with qualified external consultants and professionals.
- To manage insolvency risks relating to our contractors or subcontractors, we conduct due diligence prior to their appointment and thereafter conduct monitoring activities. Where appropriate we will put in place additional measures, such as parent company guarantees, performance bonds, insurance and/or warranties.

Cyber and information security

Increasing

Occurance of cyber-attacks increasing as reported by NCSC

Risk description

Confidential data loss or technology disruption due to internal or external factors impacting our information systems and data or by internal security control failures.

Impact on strategy

Operational disruption, regulatory breaches, and reputational harm may affect business continuity and stakeholder confidence.

Key mitigations

- We have dedicated in-house IT and data protection resources which support our focus on maintaining data and information security arrangements, including a strong cybersecurity infrastructure.
- All colleagues receive regular training to raise awareness of cyber security and data protection.
- Our Security Information and Event Management system provides a view of our security posture by collecting security-related information on threat detection, investigation and response.
- We have business continuity, crisis management and IT recovery plans in place.
- To increase our Cyber resilience and capability, Grainger has undergone a rigorous procurement exercise to identify and select a 24/7 Security Operations Centre service. The selection has concluded with the selection of NCC, as our trusted security partner. Implementation is underway with the full capability deployed by 1 December 2025.

Cultural link to values: Every home matters People at the heart Leading the way Exceeding expectations

Customer Experience

Stable

Risk description
Our ability to successfully attract and retain our customers whilst achieving rental growth in accordance with expectations.

Impact on strategy
Poor experience can give rise to increased complaints and costs and negatively impact brand and result in a failure to attract and retain customers, which in turn can impact asset values.

Key mitigations
- Our dedicated in-house Customer Experience Team is supported by investment in systems that monitor, engage and respond to customers, and to enhance our service quality standards.
- We invest to create high-quality homes with services to suit our customer needs and demands.
- We focus on brand and customer engagement and monitor customer sentiment. Our arrangements include customer service training which is delivered to all colleagues.
- We leverage our data, technology and AI capabilities to drive improvements in customer experience.

Sustainability

Stable

Risk description
Failure to effectively manage material sustainability risks and to identify emerging risks. This includes assessment of risks associated with climate change, communities and biodiversity. Failure to meet customer and investor expectations and operating as a good corporate citizen. Failure to comply with climate-related legislation. The costs and impacts of transition to a zero-carbon economy.

Impact on strategy
Asset values, investor confidence, and regulatory compliance may be compromised.

Business disruption caused by climate-related events.

Failure to progress ED&I will impact on our Colleague Risk.

Customer satisfaction and retention could be impacted.

Key mitigations
- Our dedicated in-house Sustainability Team oversees and monitors all of our sustainability initiatives.
- We continue to undertake our asset level sustainability due diligence programme and invest in energy efficiency and climate resilience measures.
- We align our operations with sustainability legislation and reporting standards and engage with Regulators and policy makers on relevant issues.
- We meet stakeholder expectations for sustainability performance and participate in external benchmarking to provide investors with assurance on our performance.

For more information about our climate-related risks in the TCFD report see page 56

Impact on our business model: Invest Operate Originate **Impact on our strategy:** Grow rents Simplify and focus Build on our experience

Viability Statement

In accordance with the 2018 UK Corporate Governance Code, the Board has assessed the prospects of the Group over a longer period than the 12 months required by the Going Concern provision. In doing so, the Board conducted the review considering the Group's financial position, business strategy, the current economic environment and the potential impact of our principal risks and future prospects.

The strategic plan is reviewed and approved by the Board each year, with year one forming the budget for the next financial year. This plan is regularly reviewed to ensure it remains reflective of current operating and macroeconomic environments, and provides a basis for setting all detailed financial budgets and strategic actions that are subsequently used by the Board to measure and monitor performance and the Remuneration Committee to set targets for the annual incentive plans.

The Board has reviewed its strategic and financial plans in detail and believes that a viability assessment period to the end of FY29 is appropriate, given this covers the period of the detailed strategy review and incorporates both the timescales for the significant majority of investments and returns currently considered as being secured and committed. Additionally, it covers a significant amount of refinancing due at the end of FY29.

The Group's business model has proven to be strong and resilient throughout economic cycles even with higher levels of gearing, consistently demonstrating its ability to sell assets and let vacant properties to provide stable income returns and cash generation, even during challenging market conditions. Currently the Group directly owns £3.5bn of residential property assets, many of which are of a relatively granular nature which are attractive to investors and therefore relatively liquid, as proven throughout previous property cycles.

The Group would remain viable even in the event of severe and sustained house price deflation as it would be able to accelerate the natural conversion of our assets to cash including the sale of tenanted assets and reduce or suspend development and acquisition activity. Only an unprecedented and continued long-term decline in residential property valuations, significant reduction in rental income and lack of liquidity in UK residential property markets is a scenario that could conceivably cause a material threat to the Group. In this situation, the Group has the option to continue to let assets to generate income and protect overall asset value.

The financing risks of the Group are also considered to have an impact on the Group's financial viability. The two principal financing risks for the Group are the Group's ability to replace expiring debt facilities and adverse movements in interest rates. The Group has been successful in securing longer-term funding to deliver the secured BTR pipeline and has prepared the strategic plan on this basis. The Group currently has total facilities of £2.1bn with an average maturity of 3.9 years including extension options. At the end of FY25, £1,603m was drawn, demonstrating the significant headroom available. Towards the end of the viability period, £1,445m is set to mature, of which £945m is in the final year of the review. In addition, the Group continues to manage its interest rate risk exposure through fixed rate borrowing and with interest rate swaps matching almost all planned drawdowns. The Group has put in place hedging facilities covering expected drawings to ensure it remains sufficiently hedged until beyond the period of the review.

The viability assessment was made with the Group's strategy forming the base case and then recognising the principal risks that could have an impact on the future performance of the Company. The base case reflects the Group's assessment of the current operating environment and these risks consider further changes to the macroeconomic environment. The planning process incorporates severe scenario planning, with the amalgamation of multiple risks which may result from political and economic uncertainty, including sensitivities to rental level, asset valuations, financing and costs to assess the impact on the longer-term viability of the Company.

The sensitivity analysis involved a severe but plausible downside scenario which incorporated the following assumptions:

- Reducing rental levels with lower BTR occupancy (-10%), lower growth (-100bps) and 3-month delays to practical completion and leasing up of our pipeline impacting both income and property valuations;
- Reduced HPI growth of -800bps, lowering both property valuations and sales revenue;
- Further reductions to property valuations of 10%;
- Cost inflation on construction and operating costs of 10%; and
- Interest rates increase by 2% for the duration of the review period and our credit rating is downgraded causing the coupon rates of our two corporate bonds to each step up by 1.25%.

The amalgamation of these severe scenarios leads to an overall reduction in asset value of c.17% over the review period. Even at these levels and before any mitigating actions, LTV remains compliant with banking covenants through the period of this review.

The Group has also modelled a reverse stress test scenario in which the Group would be able to withstand a 52% decline in property valuations from the end of FY25 levels before breaching the Group's core LTV covenant in the period under review. Such a scenario is considered to be remote and is before reflecting any mitigating actions available to the Group.

Throughout this downside scenario, the Group had sufficient resources to remain in operation and compliant with its significant banking covenants. This scenario testing, together with the Group's strong financial position, current rent collection and lettings evidence, and mitigating actions available including selling assets and deferring non-committed capital expenditure, support the assessment that the Group will have the ability to continue to meet its liabilities as they fall due.

Based on the Board's assessment, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the four-year period to end of FY29.

The Strategic Report is approved by and signed on behalf of the Board of Directors.

Rob Hudson
Chief Financial Officer

19 November 2025

Strong Governance focused on long-term success

The Kimmeridge, Oxford

Chair's introduction to governance

The Board is committed to excellent leadership, culture and governance as these are central to ensuring the Company's continued success.

We report on our compliance with the 2018 Code and our planning for the 2024 Code which applies to us from 1 October 2025.

Dear Shareholders,

Your Board has continued with our commitment to operate effective corporate governance arrangements and to promote the highest standards of behaviour, culture and values throughout the Company.

I am pleased to introduce this year's Governance report, in which we describe our corporate governance arrangements, the operation of the Board and its Committees, and how the Directors have discharged their responsibilities. We also report on our compliance with the 2018 Code and our planning for the 2024 Code which applies to us from 1 October 2025.

This is my last report as Chair, as I will be retiring from the Board at the end of the 2026 AGM. On 1 October 2025, Simon Fraser joined the Board and its Committees as Chair Designate and, subject to being elected, he will take over role of Chair at the conclusion of the 2026 AGM.

Ahead of appointing Simon, the Nominations Committee undertook a detailed review of the Board's composition, including its skills, experience and expertise. The results were taken into account in our search, which was led by Justin Read, our Senior Independent Director. The process resulted in the appointment of Simon and further details of the process are set out in the Nominations Committee Report at page 88.

We welcome Simon to the Board. He will be supported by the Directors including Justin, who subject to his re-election at the 2026 AGM, will remain on the Board notwithstanding that he will complete nine years on the Board in February 2026.

The Board has determined that Justin should remain on the Board for a further period of up to one year to support Simon's transition and that he remains independent. During 2026 we will continue to review the Board's composition including consideration of Justin's term on the Board.

During the year the Company has delivered another strong operating performance against a backdrop of a challenging macroeconomic environment that included a period of political and economic instability.

Highlights

1. Oversight and leadership of the response to the changing geopolitical and macroeconomic environment.
2. Compliance with the Corporate Governance Code (2018) during the year and preparation for the 2024 Code which applies from 1 October 2025.
3. Adopting updated articles following shareholder approval.
4. Successful completion of our conversion into a REIT.
5. Enhancement of our sustainability regime.
6. Board review and reaffirmation of strategy.
7. The Board visited Cardiff and met some of our team at The Copper Works.
8. Focus on the wellbeing of colleagues and customers.

> “During the year the Company has delivered another strong operating performance.”
>
> **Mark Clare**
> Chair

The Strategic Report contains details of how we have performed during the year and provides the context within which we have operated our governance arrangements. Significant activities have included successfully achieving our SBTi validation and ensuring we monitored and prepared for rental reforms which are now contained in the Renters’ Rights Act 2025.

In the pages that follow, we report on our compliance with the 2018 Code and our planning for the 2024 Code which starts to apply to us from 1 October 2025 (save for provision 29 which applies from 1 October 2026). We have during the year continued with our governance arrangements, including reviewing our Committee’s terms of references, which have all been updated.

Further details of the work that we have undertaken, including planning for provision 29 can be found in the Audit & Risk Committee Report at page 95.

The Board has continued to provide strong support to the Management Team during the year. We have considered and debated various challenging scenarios, taking into account the interests of all the Company’s stakeholders.

Our Stakeholder Engagement reporting which begins on page 79, sets out in detail the Company’s key stakeholders and how we engage with them. Our section 172 Statement on page 80 details how the Directors discharge their s.172 duties and it includes some examples of how the Directors have considered stakeholders in our decision-making during the year.

A significant decision taken this year has been to convert the Company into a Real Estate Investment Trust (REIT) which we determined to be in the best interests of Shareholders and other stakeholders and we successfully achieved this on 8 September 2025. Ahead of the conversion, we reviewed and updated the Company’s articles which have been in place since 2010. Shareholders approved the adoption of the updated articles at our general meeting on 1 September 2025.

The Board has also continued its focus on the Company’s sustainability activities and during the year we continued to progress our Net Zero Transition Plan as we successfully received validation of our science-based targets by the SBTi. Having provided oversight and support to the Company’s successful accreditation for the National Equality Standard (NES) in 2024, the Board has also continued to monitor Grainger’s ED&I activities during 2025.

The Board conducted an assessment of the Company’s strategy in June of this year which was combined with a site visit to our BTR site in Cardiff, The Copper Works. As part of our strategy review we considered the options for funding growth, the increasing number of stabilised assets now coming onto the market and potential consolidation in the sector. We continue to believe that our growth strategy is the correct one for the Company.

During the year we completed our annual evaluation of the Board and its Committees. Having completed this exercise with the support of an external facilitator in financial year 2024, we undertook the exercise this year using our internal process, which involved completion of a questionnaire followed by a Board discussion.

The process confirmed that the Board and its Committees are effective. We have identified actions to be completed during 2026 as well as confirming completion of the actions identified in 2025. Further details are set out at page 77. To read more about the Board’s activities in FY25, see page 78.

The FRC’s updated UK Corporate Governance 2024 Code applies to Grainger with effect from 1 October 2025 (save for provision 29 which applies from 1 October 2026). We have during the year reviewed our governance arrangements, including reviewing our Committee’s terms of references, which have all been updated for 1 October 2025. Further details of the work that we have undertaken, including planning for provision 29, can be found in this section of the Report.

Mark Clare
Chair

19 November 2025

Leadership and purpose

Board of Directors

1. Mark Clare
N R B

Non-Executive Chair

Appointment
Appointed Chair in February 2017 and due to retire at the close of the 2026 AGM

Skills, competence and experience
Mark has wide-ranging experience in a number of sectors and extensive knowledge of the residential property market. He has substantial plc-level experience and was (until October 2025) chair of Ricardo plc, and he is senior independent director of Wickes Group plc and a non-executive director of Premier Marinas Holdings Limited. Mark was chief executive of Barratt Developments plc from 2006 to 2015, and is a former trustee of the Building Research Establishment and the UK Green Building Council. Prior to joining Barratt, he was an executive director of Centrica plc and held a number of senior roles within both Centrica plc and British Gas. Mark has also been a non-executive director of United Utilities Group plc, Ladbrokes Coral Group plc and BAA plc, the airports operator.

Tenure
8 years and 7 months

2. Helen Gordon
E

Chief Executive

Appointment
Appointed to the Board in November 2015

Skills, competence and experience
Helen is a highly experienced, proven and well regarded real estate investor. She has significant experience working across a wide range of real estate asset classes, including residential property. This is combined with an extensive knowledge of the City. Helen is the senior independent non-executive director of Derwent London plc, a non-executive director of BusinessLDN, vice chair of EPRA and a board member of the British Property Federation. She is a chartered surveyor and before joining Grainger was global head of Real Estate Asset Management of Royal Bank of Scotland plc. She previously held senior property positions at Legal & General Investment Management, Railtrack and John Laing Developments.

Tenure
9 years and 10 months

3. Robert Hudson
E

Chief Financial Officer

Appointment
Appointed to the Board in August 2021

Skills, competence and experience
Rob has over 30 years' experience in finance. Rob was previously the chief finance and operations officer and interim chief executive of St Modwen plc, where he worked from 2015 to 2021. Prior to that, Rob was the group financial controller at British Land plc from 2011 to 2015. Rob joined PricewaterhouseCoopers on graduation, then moved to Experian plc in 2000 where he held a number of senior financial roles, including global finance director of its Decision Analytics business and UK finance director. Rob is a qualified chartered accountant.

Tenure
4 years and 2 months

Key:

- E Executive Committee
- A Audit & Risk Committee
- R Remuneration Committee
- N Nominations Committee
- B Responsible Business Committee
- Committee Chair

Balance of Directors FY25

42%
Female

58%
Male

- Chair
- Executive Directors
- Non-Executive Directors

4. Justin Read
A N R B

Non-Executive Director

Appointment
Appointed to the Board in February 2017 and appointed as Senior Independent Director in February 2022

Skills, competence and experience
Justin has substantial experience in real estate and corporate finance. Justin is a non-executive director of Ibstock plc, Affinity Water Limited and Marshall of Cambridge (Holdings) Limited, chairing the audit committee of all three companies and being the senior independent non-executive director of Affinity. Justin is a Patron of Real Estate Balance and an independent member of the Investment Committee of the Logistis pan-European real estate fund. He was group finance director of SEGRO plc from August 2011 to December 2016. Between 2008 and 2011, Justin was group finance director at Speedy Hire plc.

Tenure
8 years and 7 months

6. Carol Hui OBE
A N R B

Non-Executive Director

Appointment
Appointed to the Board in October 2021

Skills, competence and experience
Carol has substantial non-executive experience in a wide range of sectors and has particular expertise in law, sustainability and infrastructure. Carol is a non-executive director of Breedon Group plc, where she is the chair of the sustainability committee. Carol is also a non-executive director of the Lord Chamberlain's Committee in the Royal Household and a board trustee of Christian Aid. Carol was the non-executive chair of Robert Walters plc until 2020. In an executive capacity, Carol's most recent role was as chief of staff and general counsel at Heathrow Airport, stepping down in August 2021. Carol has served in senior positions in oil and gas, logistics and infrastructure companies. She was also a corporate finance lawyer at Slaughter and May.

Tenure
4 years

5. Janette Bell
A N R B

Non-Executive Director

Appointment
Appointed to the Board in February 2019

Skills, competence and experience
Janette is the managing director of FirstBus, part of FirstGroup plc. She is a director of the Confederation of Passenger Transport. Janette held the position of chief executive officer at P&O Ferries from January 2018 to September 2020. Janette is an experienced board director, with a breadth of operational experience in customer centric organisations including leading transformational change in response to evolving Government policy. She was sales & marketing director for Hammerson plc and has also worked in senior customer strategy and marketing positions at PwC, Tesco and Centrica, where she was sales and marketing director of British Gas Services.

Tenure
6 years and 9 months

7. Michael Brodtman
A N R B

Non-Executive Director

Appointment
Appointed to the Board in January 2023

Skills, competence and experience
Michael was chairman of the UK advisory arm of CBRE, having spent a 40-year career at the agency. Michael led its valuation and operational real estate departments, growing specialist teams in emerging sectors and internationally. He moved into the role of chairman in January 2020 and retired on 30 June 2022.

Michael is a non-executive director of Target Healthcare REIT and Cadogan Group. He is chair of the Industrial Dwelling Society and a strategic adviser to the Unite Student Accommodation Fund. He is also a Fellow of the Royal Institution of Chartered Surveyors.

Tenure
2 years and 9 months

Simon Fraser
R N B A

Non-Executive Chair Designate

Appointment
Appointed Non-Executive Director 1 October 2025 and due to be appointed Chair at the close of the 2026 AGM

Skills, competence and experience
Simon has substantial real estate and investment experience and more than 13 years of FTSE Board experience with two prominent REITs, SEGRO plc and Derwent London plc. He is currently Chair of the Remuneration Committee at SEGRO plc, and Senior Independent Director at St James's Place plc. Between 2015 to 2021, Simon was Senior Independent Director at Derwent London Plc. He was also on the Board of Legal & General Investment Management from 2015 to 2024 and Lancashire Holdings Ltd from 2013 to 2023.

Simon also brings a wealth of experience in the global capital markets from a long, successful career in investment banking and corporate broking, advising a wide range of clients across numerous sectors, including many consumer facing businesses. Prior to his retirement from executive roles in 2011, Simon worked at Bank of America Merrill Lynch where he was managing director and co-head of corporate broking.

Tenure
2 months

Information in this section of the Report is as at 19 November 2025

Leadership and purpose continued

Purpose

Grainger's purpose is renting homes and enriching lives by providing high-quality rental homes and great customer service. The Board keeps this purpose in mind in its decision-making.

Culture

The Board believes that the culture of a business, in conjunction with our values, is important to our successful long-term performance and is integral to all that we do. Our values are detailed at page 42.

How the Board members, particularly the Executive Team, conduct themselves sets both the tone and the culture within the Group.

The Board assesses and monitors the culture of the business to ensure that our policies, practices and behaviours throughout the Group are aligned with the Company's purpose, values and strategy. Each year, the Board receives a detailed presentation from the Chief People Officer (CPO) on culture and engagement and how it supports our strategy. During the year, Board reporting includes our colleague engagement survey results, highlighting what we do well and the areas for improvement. The Board monitors activities to promote ED&I, including setting targets for ethnic diversity in the senior management of the Company. We have also this year, reviewed and updated our Board Diversity Policy which is available on our website (corporate.graingerplc.co.uk).

The Responsible Business Committee receives details of our colleague engagement plans which are also reported to the Board together with updates on the Voice of the Colleague engagement undertaken by the Chair of the Responsible Business Committee, who is also our designated Non-Executive Director for workforce engagement. For more details on this see pages 92 to 94.

During the year, the Board and I have also spent time with our colleagues from across the business during both on-site visits and visits to our offices. We look forward to these opportunities as they enable us to gauge colleague views on a range of topics, including our operations, and our strategy and its implementation. The Directors also received reports on colleague engagement activities at the Responsible Business Committee.

The Board received regular updates on the implementation of our People Strategy, and the refresh of People priorities for the year, our commitment to colleague and leadership development, supporting careers at Grainger and embedding a new integrated HR and Payroll system (People Hub).

The Company achieved 'Outstanding' levels of colleague engagement by Best Companies and are featured in the Top 50 Large Companies to work for.

From our engagement with colleagues and the reports received, we firmly believe that the culture of the Company is strong and has enabled us to perform well in the current market conditions. We achieved an NPS score of +42 which we consider to be a reflection of the continued strength of our culture. Our people understand and support the strategic direction of the business and are focused on delivering it.

Stakeholder engagement

The Board believes that positive engagement with our Shareholders and other stakeholders is crucial to understanding their views. We are also supportive of the emphasis the Code puts on engagement with the wider stakeholder group and we are cognisant of our director's duties under section 172 of the Companies Act 2006 (see our reporting on page 80).

To support our aim to be the UK's leading residential REIT, we regularly engage with our people, customers, suppliers, and Shareholders to ensure that we harness their views and communicate the Company's progress. We also engage with the Government, regulators and trade/industry bodies. Examples of our engagement are included in our section 172 Statement, and are included in our Stakeholder Engagement reporting which starts at page 79.

As part of our colleague engagement arrangements the Board schedules two colleague 'Tea with the Board' events each year.

See also the box below for details of our Summer Property Tours. Our Investor Relations activities involved both Helen Gordon and Rob Hudson completing 465 engagements with Shareholders and analysts throughout the year.

Seraphina Apartments, Fortunes Dock cluster, Canning Town

Summer Property Tours for Investors

During summer 2025, Grainger's senior leadership team hosted a series of property tours to 15 institutions at our East London cluster, Fortunes Dock in Canning Town. The tour included visits to both Argo and Nautilus Apartments, where attendees were able to view the amenity spaces residents enjoy including the residents lounge, co-working spaces, gym and podium garden, as well as a show apartment.

Compliance with the FRC Corporate Governance Code

The governance rules applying to all UK companies listed in the Commercial Companies category of the UK Listing Authority are set out in the Code, published by the Financial Reporting Council (FRC). Copies of the Code can be obtained from www.frc.org.uk. The Board fully supports the principles set out in the Code and we confirm that we have complied with all its provisions (2018 version) throughout FY25.

This section of the Report sets out Grainger's governance policies and practices and includes details of how the Company applied the principles and complied with the provisions of the Code during FY25 and how we will apply the Code in FY26.

As required by the Code, this Report describes our activities and key achievements during the year, giving Shareholders and stakeholders the necessary information to evaluate how the Code's Principles have been applied.

Preparing for the 2024 Corporate Governance Code

During FY25 we have put in place arrangements to ensure we comply with the requirements of the 2024 version of the Code which starts to apply to Grainger from 1 October 2025. This included updating our Terms of Reference for each Committee as well as preparing for the introduction of Provision 29 which will apply to Grainger from 1 October 2026. For further details on this preparation see our Audit & Risk Committee Report (page 95).

We expect to continue with our compliance with the Code during 2026, save that Justin Read's term on the Board will reach nine years in February 2026. Notwithstanding this, the Board has determined that Justin's appointment should continue and he is standing for re-election at the 2026 AGM. This is to support Simon's transition into the role of Chair. The Board has considered Justin's contribution to the Board as part of the annual Board and Committee evaluation exercise and determined that Justin remains independent.

Board effectiveness

The Chair, Executive Directors and the Company Secretary ensure the Directors receive clear, timely information on all relevant matters. Board papers are circulated in advance of meetings to ensure there is adequate time for them to be read and to facilitate robust and informed discussion.

During the year the Board met six times and the attendance at the meetings is listed below.

FY25 attendance table

Executive Directors	Meetings attended
Helen Gordon	6
Rob Hudson	6
Non-Executive Directors	**Meetings attended**
Mark Clare	6
Justin Read	6
Janette Bell	6
Carol Hui	6
Michael Brodtman	6

Note: Simon Fraser joined the Board on 1 October 2025 and therefore his attendance is not recorded in the table above.

The papers contain the CEO's review, Financial review, Divisional reports which include reporting on each business area, KPIs, CPO report, Legal Risk & Governance report, Investor Relations report and other papers on specific topics of interest to the Board. Minutes of the Executive Committee meetings and detailed financial and other supporting information are also provided.

The Board receives presentations throughout the year from various departments across the business and from external advisers on subjects including financing, regulatory issues for listed companies, business valuation, sustainability and customer feedback. Papers seeking Board approval for investments also identify stakeholder interests which have been taken into account to support the Board in its decision-making.

The CEO also provides ad hoc updates to the Board on any significant matters between scheduled meetings.

The standard Board schedule includes six meetings throughout the year, one of which also includes an off-site session specifically focused on a review of the Company's longer-term strategy. Additional meetings are arranged as required.

The Board has a list of matters reserved to it which is set out in our Matters Reserved for the Board Policy. There is a rolling annual plan of items for discussion and Board meeting planning involves reviewing the list of reserved matters and annual plan regularly, to ensure all items are scheduled for review, together with other key issues as required.

At each Board meeting, the CEO provides a review of the business, setting out how it has been progressing against strategic objectives and details of any issues arising. In addition, items that require formal Board approval are circulated in advance with all supporting paperwork to aid appropriate decision-making.

During the year, members of the Board spent time visiting our building, in Cardiff, The Copper Works. The Directors met colleagues during this visit, obtaining valuable insight into the operation of the Company and engagement with colleagues.

The Board activity summary overleaf shows examples of the subjects and matters the Board debated and considered throughout the year.

Board meetings FY25

Board activity: How the Board spent its time

Strategic 25%

- Reviewed Grainger's strategy including our capital allocation policy as well as our options for growth in the BTR market, including the acquisition of stabilised stock.
- Received market update reports and presentations from our corporate brokers and advisers regarding our performance in relation to the market and our peer group companies.
- Considered competitor activity in the BTR sector.
- Monitored the economic, legislative and geopolitical landscape including regular updates in relation to the Renters' Rights Bill and its impacts.
- Received updates on our sustainability strategy, including our Net Zero Transition Plan and a presentation on Investor ESG expectations from our corporate brokers.
- Received reports on development projects and investment opportunities.
- Approved amendments to our articles and the conversion of the Company to a REIT which was achieved on 8 September 2025.
- Received reporting on investor engagements including feedback following full year and half year results presentations.

People and culture 10%

- Received reports on the activities which promote diversity across the business including the activities of the ED&I Network.
- Received reports on Voice of the Colleague roundtables hosted by Carol Hui.
- Received regular reporting from the CPO which includes progress reporting in relation to, and the annual review and approval of the People Strategy.
- Reviewed reporting relating to culture and colleague engagement. This included reporting on the results of the Best Companies colleague engagement surveys.
- Reviewed reports and updates on health and building safety and the wellbeing of our people and customers including the annual review and approval of the H&S Strategy and Business Plans.
- Met with colleagues as part of two 'Tea with the Board' events.
- Reviewed and approved the updated Board Diversity Policy.

Financial 20%

- Reviewed the Company's treasury strategy, debt and capital structure.
- Reviewed the Company's financial plans including approval of the annual budget and business plan.
- Considered the Group's financial performance throughout the year.
- Agreed the revised dividend policy following REIT conversion.
- Monitored performance of financial KPIs.
- Received reports on interaction with the credit ratings agencies.
- Reviewed insurance arrangements as part of the annual renewal process.
- Reviewed Management's proposals for operational efficiencies.

Transactions and Operations 32%

- Considered investment opportunities presented by Management.
- Reviewed reports on the progress of our development schemes proceeding in partnership with TfL.
- Considered material transactions and business opportunities including the environmental impact.
- Received reports on the progression of our existing development projects in the UK.
- Monitored operational performance (including occupancy levels and rents) and market conditions.
- Received reporting on the Group's procurement arrangements including approval of a revised Supplier Code of Conduct.
- Considered the management and performance of our key suppliers.
- Received reports on our customer engagement performance and other operational KPIs and a presentation on the launch of our new Customer Commitments.
- Received reporting on the impact of the Renters Rights Bill and the steps being taken to prepare for implementation of the Renters Rights Act.

Governance, Compliance and Risk 13%

- Approved the appointment of Simon Fraser to the Board as Chair Designate.
- Undertook and considered an internal evaluation of the Board and each of the Committees' effectiveness.
- Reviewed the Company's compliance with the 2018 Code and received updates on activities to support the Company's compliance with the 2024 Code, including approving updates to each Committee's terms of reference.
- Received briefings on regulatory and governance issues, including the Renters' Rights Bill (now the Renters' Rights Act) and the Economic Crime and Corporate Transparency Act.
- Considered H&S and Building Safety matters.
- Received Investor Relations reports, including feedback from Shareholders and analysts in connection with the 2024 full year results and the 2025 interim results.
- Received reports on the development of our sustainability strategy and our activities in this area, particularly the Net Zero Carbon Transition Plan following the successful validation of the new emissions reduction target by the SBTi.
- Received reports and approved recommendations from the Nominations, Audit & Risk, Remuneration and Responsible Business Committees.
- In conjunction with the Audit & Risk Committee considered the Company's principal risks and uncertainties and emerging risks.

Stakeholder Engagement

The Board takes the interests of stakeholders into account in its decision-making. The relevance of each stakeholder group will increase or decrease by reference to the issue in question, and the Board will seek to understand the needs and priorities of relevant groups during its discussions and decision-making.

This, together with the combination of the consideration of long-term consequences of decisions and the maintenance of our reputation for high standards of business conduct, is integral to the way the Board operates.

We have continued to embed stakeholder interests into the culture and operating model of our business. Papers presented to the Investment Committee include a section on stakeholders' interests ensuring that when matters are presented to the Board for approval, the impact on stakeholders has been considered in preparing the proposal. This supports the Directors in discharging their duties under section 172 of the Companies Act 2006.

Our section 172 reporting is set out on page 80.

Shareholders

Reviewed and considered reports of meetings with investors.

Considered questions and comments from analysts.

Consulted with significant Shareholders on key matters (e.g. Directors' Remuneration Policy).

Met with the Company's brokers and corporate advisers to understand investor sentiment.

More detail on Grainger's engagement with Shareholders is included on page 82.

Local communities

Received reports on Grainger's engagement plans and actual events in local communities.

Considered Company supported charitable and social impact initiatives. For more detail on how Grainger engaged with local communities, see pages 43 and 84.

Government

Received reporting on Grainger's engagement with Government.

Oversaw Grainger's relationships with key local authority partners.

For more detail on Grainger's engagement with Government, see page 85.

Customers

Received reports on our customer engagement insight programme.

Reviewed and fed back on plans to improve customer engagement including the launch of our new Customer Commitments.

More detail on how Grainger delivered for its customers is included on page 83.

Colleagues

Monitored colleague engagement survey results.

Carol Hui, Chair of RBC is also the Non-Executive designated for workforce engagement. Carol meets with colleagues at two roundtable meetings (Voice of the Colleague) to canvas colleague views.

Received updates on the Company's ED&I Strategy and received reports on the activity of the ED&I Network.

Considered the gender pay gap for the business and means to address it.

Engagement with colleagues at office and site visits including two 'Tea with the Board' events each year.

More detail on Grainger's engagement with colleagues is included on pages 38 to 43 and 84.

Suppliers

Received reports on our key suppliers (including repairs and maintenance).

Received reporting on the development of the Company's Supplier Code of Conduct and procurement arrangements.

More detail on Grainger's engagement with suppliers is included on page 85.

Leadership and purpose continued
How the Board understands and responds to the needs of our stakeholders continued

Section 172 reporting

Engagement with our stakeholders

In its decision-making the Board seeks to promote the long-term success of the Company for the benefit of Shareholders, whilst having due regard to our stakeholders and the matters set out in section 172(1)(a) to (f) of the Companies Act 2006.

An overview of the key channels and processes used for engagement with our stakeholders and outcomes from this engagement during the year are set out in the table below.

A summary of the Board's activity and how matters raised through engagement have been considered in key decisions taken during the year is provided on pages 83 to 85.

This statement summarises how our Directors addressed the matters set out in section 172(1)(a) to (f) of the Companies Act 2006 Set out at the end of this section are some examples and decisions needed in the year.

The Remuneration Committee reviewed our share plans arrangements which led to the update of plan rules and the appointment of a share plan administrator.

Section 172 Requirement	Overview	FY25 matters	Further information
(a) the likely consequences of the decision in the long term	Grainger is committed to being a long-term investor in homes and communities, and delivering long-term success to our Shareholders.	The Board has set the Company's purpose: renting homes, enriching lives which we deliver through our business model. Each year the Board reviews the business's long-term strategy and monitors delivery of the Strategy at each of its meetings.	Business Model pages 24 to 25 Sustainability Report page 37 Governance Report page 72
(b) the interests of the Company's employees	Colleagues are at the heart of our business and our People Strategy focuses on delivering the highest levels of learning and development, wellbeing and inclusion, including via our established colleague ED&I Forum.	The Board reviewed the implementation of the new HR system (People Hub). The Responsible Business Committee oversees employee engagement and consultation. The Directors received employee related reporting from the CPO at each Board and Responsible Business Committee meeting, including the outputs from our colleague engagement activities. During the year we secured a 2 star rating from Best Companies and continued with our ED&I focus including our National Equality Standard Accreditation as well as demonstrating positive female representation via the FTSE Women Leaders review.	Sustainability Report page 37 Governance Report page 72 Responsible Business Committee Report page 92
(c) the need to foster the Company's business relationships with suppliers, customers and others	The relationships with our key partners and suppliers are critical to our ability to deliver and maintain high-quality rental homes. Strong relationships with our customers, built by our property managers and on-site teams, supports retention and creates a community within our buildings.	Key partners: The Board received regular reporting on arrangements with key partners, including TfL via the Development Director's reporting. Suppliers: The Board received reporting on the development and launch of the Supplier Code of Conduct in addition to regular reporting on key suppliers, including the reporting in relation to our repairs and maintenance supplier arrangements.	Sustainability Report page 37 Governance Report page 72
(d) the impact of the Company's operations on the community and the environment	We consider communities to encompass those created within our buildings as well as those around them, and we actively seek ways to promote thriving communities and to minimise our impact on the environment.	The Responsible Business Committee oversees our community (including charitable) and environmental initiatives. The Directors receive updates on progress at the Board and Responsible Business Committee meetings, including progress of our Net Zero Transition Plan. During the year we successfully achieved validation of our SBTi target.	Sustainability Report page 37 Responsible Business Committee Report page 92 Governance Report page 72

(e) the desirability of the Company maintaining a reputation for high standards of business conduct	Grainger is proud to be a FTSE4Good business and adheres to the highest standards of business conduct in interactions with all our stakeholders. The Company also has in place established compliance policies and procedures which includes regular training.	The Board sets and monitors our culture and values. Our values set the standards of conduct for all involved in our organisation and our values are a key feature of our company-wide customer service style training programme. During the year we developed our 'One Grainger' culture. We developed and implemented our arrangements in response to the new failure to prevent fraud offence introduced by the Economic Crime and Corporate Transparency Act.	Sustainability Report page 37 Our purpose and values page 42 Governance Report page 72
(f) the need to act fairly as between members of the Company	We conduct regular direct engagement with our Shareholders through a range of channels, and ensure key issues raised are factored into strategic decision-making. Engagement with Shareholders is facilitated by our Investor Relations and Company Secretarial Teams.	The Board monitor investor engagements and receive regular reporting on Director engagements. During the year we continued our extensive programme of investor engagement which included over 465 meetings, 14 conferences and conducted seven tours of our sites with investors. On 8 September 2025, we also successfully converted into a REIT. We also adopted updated articles following the approval by Shareholders at our General Meeting on 1 September 2025. As part of the tri-annual review of our Directors' Remuneration Policy we undertook a consultation with significant Shareholders which was led by the Remuneration Committee Chair.	Shareholder Engagement page 82 Governance Report page 72 Directors' Remuneration Report page 100

Reporting on who the Board considers to be our key stakeholders and how we engage with them is set out in our Stakeholder Engagement reporting which starts on page 79. Some examples of how the Board has considered stakeholders during its decision-making in 2025 is set out below.

1. Conversion to a REIT

On 8 September 2025, Grainger converted to REIT status. The REIT regime was created by HMRC to encourage investment in UK property and is an internationally recognised approach for property investment businesses. While there are no changes to day-to-day operations or business strategy, the REIT status effectively provides tax transparency allowing Property Rental Business profits to be taxed in the hands of Shareholders rather than at Company level. The Company will benefit from improved cash flow and Shareholders will benefit by receiving returns taxed in a way more in line with direct holdings of real estate assets. The change has been discussed extensively with significant Shareholders, many of whom have advocated for the change in status. Our colleagues, suppliers, operations, communities and our environment are not affected.

2. Updates to the Company Articles

Our updated articles were approved and adopted at a general meeting held on 1 September 2025. Changes were proposed to update the articles, which were adopted in 2010, as well as introduce provisions to support the Company's conversion into a REIT. The updated articles ensure that the Company's governance arrangements are in line with best practice and support the conversion of the Company into a REIT. The updated articles do not directly impact colleagues, suppliers, operations, communities or our environment.

3. Directors' Remuneration Policy (Policy)

Ahead of the 2026 AGM, where we are due to present our Directors' Remuneration Policy for its tri-annual approval, we have consulted with significant Shareholders. This feedback was collated and shared with the Remuneration Committee and has been fed into the Policy design to ensure that it supports the delivery of our strategy. The carbon metrics in our 2025 LTIP awards have also been updated to align to the new validated SBTi target. The updated Policy does not directly impact colleagues, suppliers, operations, communities or our environment.

Leadership and purpose continued
How the Board understands and responds to the needs of our stakeholders continued

Shareholder engagement

Key Shareholder events 2024/25

Ongoing dialogue with our Shareholders is fundamental to ensuring that there is an understanding of the strategy and governance of the business, and that the Board is aware of the issues and concerns of our investors. In this section of the Report, we highlight the key activities of our Shareholder engagement programme during the year.

October 2024
- Closed period
- Pre close trading update

November 2024
- Full Year Results Presentation and Roadshow
- UBS Global Real Estate Conference (London)

January 2025
- Barclays Conference (London)
- Deutsche Numis Conference (London)
- Citi RE Credit Conference (London)

February 2025
- AGM (Newcastle)
- Trading update

March 2025
- Citi Conference (US)
- Berenberg Conference (UK)
- Bank of America Conference (London)

April 2025
- Kempen Conference (US)
- Closed period

May 2025
- HY Results Roadshow
- Kempen Conference (Amsterdam)

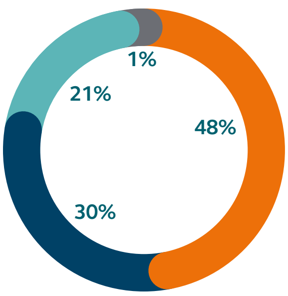
June 2025
- Morgan Stanley Conference (London)
- EPRA Corporate Access Conference (London)
- Midlands Regional Wealth Managers Roadshow

July 2025
- Summer Property Tours

August 2025
- Posting General Meeting Notice
- Commencement of Director Remuneration Policy Consultation

September 2025
- General Meeting to approve changes to Articles of Association
- Bank of America Conference (US)
- Goldman Sachs Conference (London)
- EPRA Conference (Stockholm)

Shareholder by region



Substantial shareholdings

The table below details interests disclosed to the Company at the end of FY25 and at 18 November 2025 (being the latest practicable date prior to the date of this Report). The information is reported in accordance with DTR 5 and as required by LR 6.6.6.

The table details interests with voting rights (direct or indirect) amounting to 3% or more and the data included is derived from analysts' reports and replies received from Shareholders.

	30 September 2025		18 November 2025	
	Holding m	Holding %	Holding m	Holding %
BlackRock Inc	69.8	9.4	70.3	9.5
Norges Bank Investment Management	64.6	8.7	64.6	8.7
FMR LLC	33.2	4.5	34.4	4.6
Dimensional Fund Advisers	23.7	3.2	22.7	3.1
MFS Investment Management	29.2	3.9	16.5	2.2

Relations with Shareholders

The Board believes that understanding the views of Shareholders is a fundamental principle of good corporate governance. Strong engagement with all stakeholders, including Shareholders, is key to achieving this.

The Group's website includes an Investor Relations section, containing all announcements issued via the Regulatory News Service (RNS), share price information, as well as Investor Documents available for download.

We send out the Notice of Meeting for a General Meeting (including the AGM) at least 20 working days before the meeting. We hold separate votes for each proposed resolution. A proxy count is given in each case. Grainger includes, as standard, a 'vote withheld' category, in line with best practice. Shareholders can also lodge their votes through the CREST system.

Our investor relations activities are tailored to the financial reporting calendar, with additional engagements taking place when considered beneficial to the Company. During the year, we have held over 465 meetings with Shareholders, analysts and potential investors. Helen Gordon, Rob Hudson and other senior managers attend the vast majority of these meetings and manage the Group's Investor Relations programme supported by the Director of Corporate Affairs. We always seek feedback at these meetings and present it to the Board.

In addition, the Company Secretary engaged with a combination of fund managers and corporate governance officers from some of the Company's major Shareholders before the 2025 AGM. We anticipate a similar pre-AGM engagement process will take place in 2026. The Company has also engaged with significant Shareholders in relation to the review of our Directors' Remuneration Policy. The communication exercise closed in October 2025.

Attendance at investor meetings

Helen Gordon – CEO	79%
Rob Hudson – CFO	79%
Senior Executive	96%

How the Board understands and responds to the needs of our stakeholders continued

Shareholders

Stakeholder expectations

For Grainger to generate long-term, sustainable, attractive total returns and to meet sustainability expectations.

How we engage

We have a comprehensive Investor Relations programme, which we build upon and extend each year. Activities include investor roadshows, conferences, trading updates and property tours. Key investor engagement events during the year are reported on page 82. We ensure that we are both accessible and approachable and that we respond promptly to all queries. We also engage in and respond annually to a range of sustainability benchmarks.

Outcomes and examples

- Held over 465 investors, analysts and potential investors meetings during the year and have met with four sales teams
- Received 35 pieces of analyst coverage, with 11 analysts covering Grainger
- Attended 14 investor conferences/events
- Hosted two investor roadshows, and seven property tours

Customers

Stakeholder expectations

For Grainger to provide safe, high-quality homes and good service, whilst responding to their needs promptly.

How we engage

Understanding our customers and their needs, and communicating effectively with them, is essential to providing the great homes and service that we aim to deliver.

Our customer insight programme provides us with this essential knowledge and is factored into the decisions we take, the buildings we create and how we operate.

We use multiple communication channels and methods to reflect the wide range of customers we have.

Our far-reaching Customer Experience Programme is designed to continually enhance and improve the Grainger rental experience for our customers. It includes bespoke customer service training for the entire business including our Executives.

We also launched our Customer Commitments during the year which supports how we deliver services to our customers.

Outcomes and examples

- Using technology to review our customer feedback ensures we understand our customers issues and enables us to address them
- Customer Net Promoter Scores at +42%
- BTR average length of stay of 31 months

Leadership and purpose continued
How the Board understands and responds to the needs of our stakeholders continued

Local communities

Stakeholder expectations

For Grainger to act responsibly and make a positive impact on the local area while listening to and taking onboard local views, preferences and concerns.

How we engage

Grainger seeks to develop thriving communities both within and around our buildings. Our development activities will include conducting local engagement and consultation via events, meetings, and direct communications with the local community.

Supporting communities local to our BTR homes is part of our Customer Experience Commitments and our Living a Greener Life campaign. Where appropriate we engage with local authorities and create partnerships to support local businesses and charities.

Our Residents Events Committee seeks to help residents build a community in their locations through organising local activities and events and engaging with local community stakeholders.

Outcomes and examples

- Each BTR site has in place Community Engagement Plans which involve local stakeholders
- Supported local charity partners including The People's Kitchen in Newcastle upon Tyne, Mustard Tree in Manchester and Emmaus in Leeds
- Provided two homes for young people at risk of homelessness through the LandAid BTR Pathfinder
- 631 residents and community events held throughout the year
- Further enhanced and embedded Living a Greener Life customer and colleague engagement programme during the year

Colleagues

Stakeholder expectations

For work to be fulfilling and rewarding. To be fairly treated, recognised and remunerated. To operate in a safe and comfortable environment, with learning and development opportunities.

How we engage

Our colleagues' experience of working at Grainger is critical to our ongoing success. We actively seek feedback and listen to our colleagues and shape our people initiatives upon that feedback. Our internal engagement programme includes surveys, Company-wide calls hosted by our CEO, our internal newsletter and our intranet. We organise a range of events for colleagues, including campaigns organised by our colleague-led ED&I Network and charity fundraising events.

Carol Hui, independent Non-Executive Director and Chair of the Responsible Business Committee, is responsible for the Voice of the Colleague and is our Non-Executive Director designated for workforce engagement.

Outcomes and examples

- Achieved 'Outstanding' rating in our annual employee survey in 2025, run by Best Companies and listed in UK's Top 50 Large Companies to work for 2025
- Strong colleague engagement reflected in high survey response rates and colleague-led roundtables across diverse topics
- 90% of colleagues completed our voluntary ED&I questionnaire
- Regular all-company calls led by our CEO, Helen Gordon and involving briefings from different business areas with a Q&A including members of the Executive Committee
- New HR & Payroll System designed to enhance colleague experience and efficiency in accessing personal information

Suppliers

Stakeholder expectations

For us to act with integrity and professionalism, pay promptly and ensure that we are protecting the rights of all those employed through our supply chain.

How we engage

Our key suppliers and partners are carefully managed to deliver agreed service levels and positive customer outcomes. Segmentation of our critical suppliers ensures we adopt a risk based approach to supplier onboarding and supplier management. Our supplier selection process is supported by Once for All, and we will be looking to implement a due diligence approach for non-construction suppliers during 2026. Proactive contractor management ensures regulatory compliance including H&S and modern slavery.

Outcomes and examples

- Considered the provision of services by our key repairs and maintenance supplier including monitoring the performance and measures to address any issues arising from the arrangements
- Increased supply chain focus on issues including decarbonisation, human rights and modern slavery
- Consistently paying suppliers within our standard 30 day terms
- Regular supplier H&S audits completed, with four audits undertaken within the year
- Launched The Key Supplier Code
- Engaged key suppliers in sustainability initiatives

Government

For Grainger to lead the sector as a responsible employer and housing provider. To support Government in delivering its objectives such as increasing provision of high-quality homes and meeting its net zero carbon ambitions.

As the UK's largest listed landlord, we take a front-footed, proactive approach to engagement with the Government, and the main opposition parties and other relevant public bodies, such as Homes England, Greater Manchester Combined Authority and the Greater London Authority.

We respond to relevant Government consultations and meet with Ministers, officials and politicians on important topics affecting our sector. We take a thought leadership role and actively participate and contribute to our industry trade associations, the British Property Federation, BusinessLDN and others.

- Regular Board reports, updates and discussions relating to political engagements
- Helen Gordon appointed to HM Government's New Towns Task Force in 2024 and continued to participate until July 2025
- Engaged heavily with policy makers, Members of Parliament, Government Ministers and Government Officials on reform of the private rented sector including in relation to the Renters Rights Bill
- Provided insight to ministers and regulators in consultations on the planning system
- Provided policy makers with expert insight on how to stimulate housing supply and investment, and on areas impacting our business such as Selective Licensing, Building Safety Levy, Second Staircases, Rental Affordability and other proposed legislation
- Contributed to industry study and reporting relating to social housing

Division of responsibility

Governance framework

Grainger plc Board

Responsible to the Company's Shareholders for the long-term success of the Group, its strategy, purpose, values and governance. The Board defines the Company's purpose and sets the strategy to deliver it, underpinned by the values and behaviours that shape our culture and the way we conduct our business. It provides leadership of the Group and, either directly or by the operation of its Committees, applies independent judgement on matters of strategy, performance, operations, the overall approach to risk management and internal controls, resources (including key appointments), and culture and standards of behaviour.

Audit & Risk Committee

Responsible for overseeing the Company's financial statements and reporting including matters of significant judgement. Reviews the work of internal and external auditors and matters of significant judgement by management. It reviews the risk management framework and the integrity of the risk management and internal control systems.

Remuneration Committee

Responsible for determining the Directors' Remuneration Policy and level of reward for the Executive Directors and Senior Managers to align their interests with those of the Shareholders.

Responsible Business Committee

Oversees the development and implementation of strategies and policies in all areas of responsible business and sustainability including climate change, environmental, social, colleague engagement and ED&I.

Nominations Committee

Reviews the structure, size and composition of the Board and its Committees. Oversees succession planning for Directors and Executive Committee members. It leads the process for appointing Directors.

Executive Committee

This Committee operates under the direction and authority of the CEO. It makes key decisions on matters to ensure achievement of strategic plans, reviews strategic initiatives, ratifies executive decisions and considers key business risks. It is supported by other committees which each have specific focus areas.

Oversight Committees

Management Committee

Responsible for the day-to-day management of the business and ensuring our management is briefed on business activities and priorities.

Investment Committee

Reviews and approves material transactions, allocates investment capital and proposes investment hurdle rates for Board approval.

Finance Committee

Responsible for financial and technology matters across the Group, which include accounting, financial reporting, tax, treasury, corporate and commercial finance, procurement, sustainability and IT.

Operations Board

Responsible for executing operations strategy, performance management, risk management and governance across our operations and asset management activities.

Development Board

Responsible for the strategy implementation, performance management, risk management and governance in relation to our land and development activities.

Health & Safety Committee

Responsible for monitoring and reporting on H&S compliance, policy and auditing activities across the business.

Data Protection Committee

Responsible for maintaining and reporting on data protection compliance activities across the business.

Roles and responsibilities of our Directors

Role | Key Responsibilities

Chair
Non-Executive Director

Leads the Board and is responsible for its overall effectiveness in directing the Company. The Chair demonstrates objective judgement and promotes a culture of openness and debate. The Chair facilitates constructive Board relations and the effective contribution of all Non-Executive Directors, and ensures that Directors receive accurate, timely and clear information.

CEO
Executive Director

The most senior Executive Director and responsible for proposing Company strategy and for delivering the strategy as directed by the Board. The CEO also has primary responsibility for setting an example to the Company's workforce and for communicating to them the expectations in respect of the Company's culture. She is responsible for supporting the Chair to make certain that appropriate standards of governance permeate through all parts of the organisation and ensures that the Board is made aware of views gathered via engagement between management and the workforce.

The Chief Executive chairs the Executive Committee, the Management Committee and the Investment Committee.

CFO
Executive Director

Responsible for the financial stewardship of the Group's resources through compliance and good judgement. He provides financial leadership in the implementation of the strategic business plan and alignment with financial objectives.

Senior Independent Director

Acts as a sounding board for the Chair, providing them with support in the delivery of their objectives and leading the evaluation of the Chair on behalf of the other directors.

The Senior Independent Director also serves as an intermediary for the other Directors where necessary and is responsible for the succession process for the Chair, working closely with the Nominations Committee.

The Senior Independent Director is available to meet Shareholders if they have concerns, and where contact through the normal channels has not resolved the issue or is inappropriate. He also leads the annual performance review of the Chair.

Non-Executive Directors

Responsible for providing independent and objective judgement and scrutiny to all matters before the Board and its Committees, using their substantial and wide-ranging skills, competence and experience. The Non-Executive Directors will hold to account the performance of the Executive Directors and the Management Teams against agreed performance objectives.

Non-Executive Directors will devote sufficient time to discharge their responsibilities effectively and they need timely, high-quality information sufficiently in advance of meetings to support them in carrying out their role.

Throughout the year, the Chair will hold meetings with the Non-Executive Directors without the Executive Directors present. As part of the annual evaluation process, the Non-Executive Directors may meet without the Chair present.

Copies of the Letters of Appointment for the Non-Executive Directors and the Directors' Service Contracts for the Executive Directors are available from the Company Secretary and at the AGM.

Nominations Committee Report

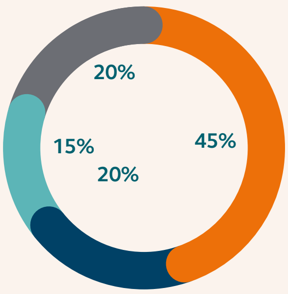
Membership and attendance table

During the year the Committee met three times. Set out in the table below are details of the membership and attendance at these meetings.

Members	Meetings attended
Mark Clare (Committee Chair)	3
Carol Hui	3
Janette Bell	3
Justin Read	3
Michael Brodtman	3

Simon Fraser was appointed to the Board as Chair Designate on 1 October 2025, and he also joined the Nominations Committee. Subject to his election at the 2026 AGM, Simon will take over as Chair of the Board and the Nominations Committee with effect from close of the AGM.

How the committee spent its time



Dear Shareholders,

I am pleased to present the Nominations Committee report for FY25 which details the main activities that we undertook during the year.

The Nominations Committee plays a fundamental role in ensuring that appointments to the Board are subject to a formal, rigorous and transparent procedure, and that an effective succession plan for Board and Senior Management is maintained. The Committee is also responsible for succession planning, and monitors talent development at Senior Management level.

The Committee monitors the structure, size and composition (including the skills, experience, independence, diversity, knowledge and length of service) of the Board as a whole and of its Committees, with any changes recommended to the Board for its review and decision.

During the year, the Committee, led by Justin Read, the Senior Independent Director, conducted a formal process for the appointment of the Chair Designate, which resulted in our announcement on 31 July 2025 of the appointment of Simon Fraser to the Board as Chair Designate. Simon will stand for election at the 2026 AGM, and if elected, will take over as Chair with effect from the close of the AGM.

I was appointed to the Board in February 2017 and because I will have completed nine years as Chair in February 2026, I will retire from the Board and its Committees with effect from the close of the 2026 AGM.

This section of our Report details the key duties of the Committee and how it has discharged its responsibilities during the year.

Mark Clare
Chair of the Nominations Committee

19 November 2025

Key responsibilities

The Committee's role and responsibilities are set out in its Terms of Reference which can be found on our website: corporate.graingerplc.co.uk and these include:

- Board Composition: regularly review the structure, size and composition (including the skills, experience, independence, knowledge and diversity) of the Board, considering length of service of the Board as a whole and looking for membership to be regularly refreshed.
- Succession Planning: ensure effective succession planning for the Board, its Committees and Senior Management.
- Appointments to the Board: identify and nominate, for the approval of the Board, candidates to fill Board vacancies, and ensure that appointments to the Board are subject to a formal, rigorous and transparent procedure.
- Promote Equality, Diversity and Inclusion: ensure that appointments and succession plans are based on merit and objective criteria and promote diversity of gender, social and ethnic backgrounds as well as cognitive and personal strengths, and work closely with the Responsible Business Committee with regard to the Group's wider ED&I strategy and agenda.

- **Induction and training:** ensure new Directors undertake an appropriate induction programme and review training requirements for the Board as a whole.
- **Board Evaluation:** support the Chair with the annual Board and Committee effectiveness evaluation process.

Key activities

November 2024

- Executive Director and Senior Management succession planning
- Board composition review including NED skills, expertise, experience and time commitment
- Board and Committee evaluation actions review

May 2025

- Senior Management Talent Review
- Board composition including Chair succession planning
- Board and Commission evaluation actions monitoring

May 2025

- Chair succession

June 2025

- Chair succession

Terms of reference

The Committee's terms of reference are reviewed each year by the Committee and recommended to the Board for approval. We assessed and confirmed our compliance with our terms of reference and we also updated our terms of reference to take into account the requirements of the new Code which applies to Grainger from 1 October 2025. The Committee terms of reference are published on our website (corporate.graingerplc.co.uk).

Meetings

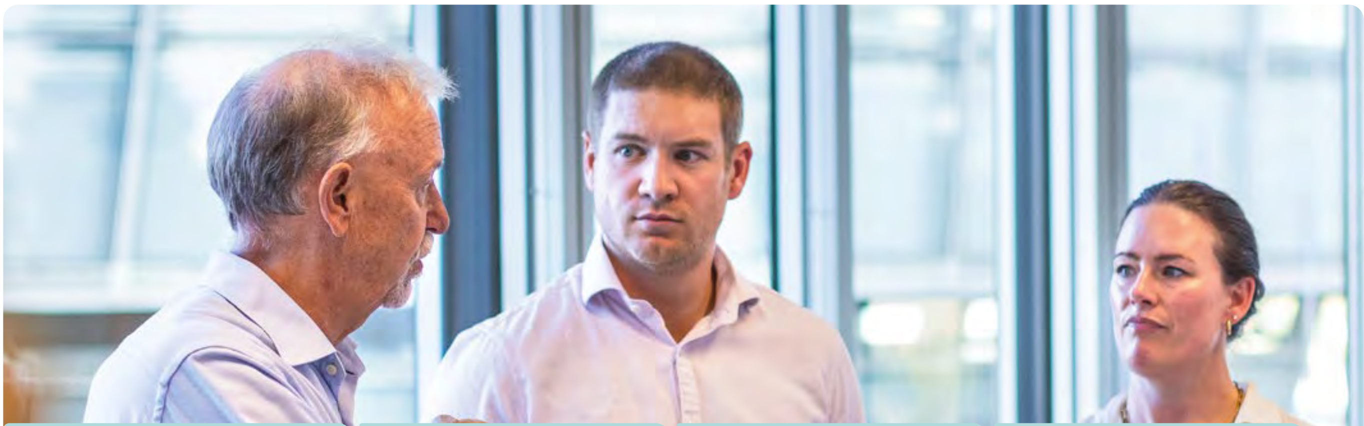
The Committee's main work follows a structured programme of activity agreed at the start of the year. Attendance at the meetings is set out on page 88.

This report includes a non-exhaustive list highlighting the Committee's work during the year.

Invitations to attend meetings

The CEO and CPO are invited to attend meetings during the year to support the Committee with its deliberations. The Company Secretary acts as secretary to the Committee. During the year Lygon also attended some of the meetings to support the Committee in relation to the Chair's succession arrangements which resulted in the appointment of Simon Fraser.

Simon Fraser has been a member of the Committee since his appointment to the Board on 1 October 2025. Subject to his election at the 2026 AGM, Simon will take on the role of Chair of the Board and this Committee at the close of the 2026 AGM.



Year 1	Year 2	Year 3	Year 4
2024 External	2025 Internal	2026 Internal	2027 External

Evaluation 2025 Key Findings

The Board operates effectively, demonstrating good governance processes, strong stakeholder engagement and robust risk management. The evaluation highlights that the Board successfully navigates complex regulatory and economic challenges whilst maintaining clear strategic direction.

2025 Principal recommendations

- Enhance inter-meeting reporting of significant matters to the Board
- Develop direct Board-customer engagement strategies and review complaints monitoring
- Conduct Senior Independent Director succession planning during the year ahead
- Schedule topics (e.g. Emerging Risks) as a dedicated Board Dinner Discussion topic
- Consider extending selected meetings, as required to allow for additional time to support deeper dive discussions

Each year the Directors monitor completion of the recommendations arising from each review.

The Nominations Committee Report continued

Process for Board appointments

The Nominations Committee will, taking into account the structure, size and composition (including skills, experience, independence, knowledge and diversity) on the Board, produce a specification of the personal attributes, experience and capabilities required to perform the relevant appointment. In circumstances where external recruitment or benchmarking of an internal candidate is appropriate, an independent external search consultancy will be engaged to support the process. A recommendation is then made to the Board concerning the appointment of any Director. The Committee also supports the Board in the appointment of the Company Secretary.

During the year, the Committee, led by Justin Read (Senior Independent Director) undertook a process ahead of recommending to the Board the appointment of Simon Fraser. This resulted in Simon's appointment to the Board and all its Committees, as a Non-Executive Director and Chair Designate, on 1 October 2025.

Simon has prior to his appointment been determined to be independent (as defined by the Code). He will stand for election at the 2026 AGM, and if elected, will take over as Chair of the Board and the Nominations Committee.

Mark Clare, attended but did not Chair the Board or any Committee meetings which related to his succession. Justin Read, who was leading this process, chaired these meetings.

The Committee was assisted by Lygon on the selection and appointment of Simon. Lygon follow the Voluntary Code of Conduct for Executive Search Firms, which lays out steps for search firms to follow across the search process. During the search Lygon ensured that the Board considered a diverse range of candidates.

Board composition and independence

During FY25 the Board's composition included a Non-Executive Chair, two Executive Directors and four independent Non-Executive Directors.

Accordingly, the composition complies with the Code provision that more than 50% of the Board (excluding the Chair) should include independent Non-Executive Directors. Further, Mark Clare was determined to be independent prior to his appointment.

On 1 October 2025, Simon Fraser joined the Board as Chair Designate. The Board have determined Simon to be independent and he will, subject to his election at the 2026 AGM, take over as Chair of the Board and the Nominations Committee from the close of the 2026 AGM.

Non-Executive Independence

The Board considers Non-Executive Director independence annually as part of the Board and Committee evaluation exercise. The exercise takes into account each individual's professional characteristics, their behaviour at Board meetings, and their contribution to unbiased and independent debate.

As explained above, the Board determined that Mark was independent ahead of his appointment as Chair and the Board considers that all of the Non-Executive Directors are independent, as defined by the Code. Further, Simon Fraser, Chair Designate, was determined to be independent prior to his appointment.

Board performance evaluation

An external review having been undertaken in FY24, this year the evaluation of Board effectiveness was carried out internally using a questionnaire in accordance with our usual approach. We issued detailed questionnaires to all Board members, collated the feedback and created an action list of suggested improvements. Our next externally facilitated evaluation is scheduled to be undertaken in FY27.

The FY25 review concluded that the Board and its committees were operating effectively. A selection of the key findings and recommendations are detailed on page 89.

The Committee also monitored the progression of the principal recommendations arising from the FY24 review and concluded that all were completed.

Gender and ethnicity diversity data (as at 30 September 2025)

	Board		Senior positions on the Board[1]		Executive Committee*	
	Number	%	Number	%	Number	%
Gender						
Men	4	57	3	75	5	63
Women	3	43	1	25	3	37
Other						
Not specified/prefer not to say						
Ethnicity						
White British/White Other	6	86	4	100	7	87
Mixed/Multiple Ethnic Group						
Asian/Asian British	1	14			1	13
Black/African/Caribbean/Black British						
Other Ethnic Group						
Not specified/prefer not to say						
Total	7	100	4		8	100

1. CEO, CFO, Chair, SID.
* Executive Committee excludes CEO and CFO.

Induction and professional development

The Directors receive reporting, training and updates during the year which support them in their role. This includes Group updates, market developments, legal and regulatory requirements (including updates to the legislative landscape) and changes to accounting requirements. For example, during the year the Audit & Risk Committee received a briefing on treasury and hedge accounting from the Group Treasurer.

New Board members are also provided with a comprehensive induction programme and a plan has been created for Simon Fraser which will be delivered during the year ahead. Individual Directors also identify their own training needs to ensure they are adequately informed about the Group and their responsibilities as a Director.

The annual evaluation process and empirical observations provide the Board with confidence that all of the Directors have the knowledge, ability, skills and experience to perform the functions required of a director of a listed company.

Committee changes

It is our policy that all Non-Executive Directors are members of all of our Board Committees, save that in accordance with the Code, the Chair is not a member of the Audit & Risk Committee.

Our practice reflects that we have a small Board and we consider that this arrangement provides each of the Non-Executive Directors with good visibility across the Group's activities.

Diversity

The Directors are committed to promoting diversity on the Board, the Executive Committee, within Senior Management as well as within our wider workforce.

With regard to the Board and the Executive Committee, the Board has adopted a Diversity Policy, which illustrates our commitment to both the Hampton-Alexander Review and the Parker Review. It includes gender and ethnicity targets and it was reviewed and approved during 2025.

Set out in the table on page 90 is our diversity reporting as required by Listing Rule LR 6.6 for FY25.

When recruiting, we ensure the search agencies we use are signed up to The Voluntary Code of Conduct for Executive Search Firms and we instruct them to provide us with a diverse range of candidates. For details of the search which led to the appointment of Simon Fraser, see page 90.

All appointments to the Board are made on merit, and within this context the Directors will continue to promote diversity. During the year, female representation on the Board was at 43%, which exceeds the 33% target recommended by the Hampton-Alexander Review. Our objective for the Board is to consistently have at least one-third of Directors being female.

The Board is also mindful of the Parker Review regarding ethnic diversity on UK boards that was published in 2017. The Review recommends that each FTSE 250 board should have at least one ethnic minority director by 2024. The Board has met this recommendation since October 2021.

The responsibility for monitoring ED&I across Grainger's wider colleague population rests with the Responsible Business Committee. For details on their activities in this area, see pages 92 to 94.

Executive Committee and Senior Management Succession planning

During the year, the Committee received presentations from the CPO in relation to our succession plans for our Executive Committee and Senior Managers and related retention strategies. A number of senior appointments were made during the year, including Laura Watson, Procurement Director.

The Committee also received presentations from the CPO in relation to the Company's wider talent management initiatives, which seek to identify and prepare future leaders of the business and support them in developing and progressing their careers at Grainger. This includes putting in place learning opportunities and interventions which add the most value, including external coaching.

Time commitment

On behalf of the Board, the Nominations Committee, monitors the external commitments of the Chair and each of the Non-Executive Directors. We are satisfied that each Non-Executive Director is able to devote sufficient time to Grainger. The Board and Committee evaluation process confirmed that during the year each Director committed enough time to be able to fulfil their duties and has capacity to continue doing so.

Election and Re-election of Directors

In previous years, we have adopted the recommendations of the Code that all Directors offer themselves for re-election annually, even though the Company's articles of association only require this every three years. During this year we proposed amendments to our articles of association which included a requirement for annual re-election. This was approved by Shareholders at our general meeting on 1 September 2025. Accordingly, all Directors excluding Mark Clare, will stand for election or re-election at the 2026 AGM. Mark will retire from the close of the 2026 AGM. The Board recommends that all Directors standing for election or re-election are elected or re-elected. Details of the Directors standing for election/re-election are set out on pages 74 and 75 of this Report and the resolutions will be included in the 2026 AGM Notice.

Access to independent advice

All Directors have access to the advice and services of the Group General Counsel and Company Secretary, who ensures we follow our governance processes and maintain high corporate governance standards. Any Director who considers it appropriate may also take independent, professional advice at the Company's expense.

Balance of knowledge, skills and experience

The Directors have wide-ranging experience as senior business people. At the date of this Report, the Board composition includes expertise in real-estate, property development, corporate finance, operations, sales and marketing, REIT, surveying and valuations, sustainability and the listed company environment.

Mark Clare
Chair of the Nominations Committee

19 November 2025

Responsible Business Committee Report

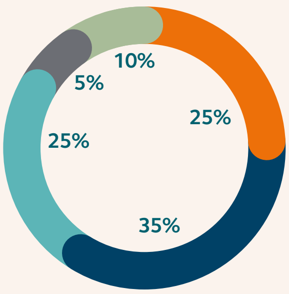
Membership and attendance table

During the year the Committee met twice. Set out in the table below are details of the membership and attendance at these meetings.

Members	Meetings attended
Carol Hui (Committee Chair)	2
Janette Bell	2
Michael Brodtman	2
Mark Clare	2
Justin Read	2

Simon Fraser was appointed to the Board as Chair Designate on 1 October 2025, and he also joined the Responsible Business Committee.

How the committee spent its time



- Net zero carbon
- ESG progress
- People
- Community and social
- Governance

The existence of the Committee enables the Directors to allocate more time to discuss strategic sustainability topics.

Dear Shareholders,

I am pleased to present Grainger's Responsible Business Committee report. Established in 2022, the Committee oversees a broad remit of responsible business topics to support our sustainability objectives such as climate change, environmental, biodiversity, stakeholder engagements including community and colleague engagements, social impact, and ED&I.

This report summarises the main activities undertaken during the year.

Key responsibilities

The key responsibilities of the Committee include:

- Agreeing and measuring progress against the Company's sustainability strategy, commitments and targets.
- Overseeing and monitoring the development and implementation of the Company's Net Zero Carbon Transition Plan.
- Monitoring the areas and activities likely to impact Grainger's performance and reputation as a responsible business.
- Reviewing and approving responsible business-related policies and disclosures.
- Monitoring stakeholder engagement on relevant issues.
- Gathering and considering the views of the workforce through our Voice of the Colleague.
- Monitoring the development and implementation of the Company's ED&I Strategy, plans and commitments.
- Monitoring charitable, social impact and colleague volunteering activities.
- Supporting the Audit & Risk Committee in reviewing responsible business-related risks and controls and the Remuneration Committee in setting responsible business-related Group objectives and approving the LTIP scoring in relation to these.

The full terms of reference for the Committee are available on our website at (corporate.graingerplc.co.uk).

For more information on our sustainability work, please refer to page 37 onwards.

Key focus areas during 2025

During the year, the Committee received reports from Management and updates from colleagues across Grainger's business on topics including progress towards our Net Zero Carbon commitments and the successful validation of the new science-based target by SBTi, community engagement strategy and ED&I. The Committee also received my reports following the two roundtable Voice of the Colleague events that I conducted to gather feedback from colleagues.

The Committee had the opportunity to meet Grainger colleagues at a site visit to The Copper Works in Cardiff. The Board also visited Grainger's London and Newcastle offices to meet with office-based colleagues as part of our annual meetings over Tea with the Board.

Our corporate brokers attended one of our meetings to present on investor expectations regarding sustainability.

Key activities

March 2025

- Monitoring ESG objectives including Net Zero Carbon updates
- Review of external sustainability environment including
  - Stakeholder engagements
  - Regulatory environment
  - External assessments and benchmark reporting
  - ESG and People Risk review
- Received People Update including:
  - Voice of the Colleague session feedback
  - ED&I update
- Received the social impact and charity update

September 2025

- Received a sustainability presentation from Deutsche Numis (corporate brokers)
- Received a Net Zero Carbon update
- Considered sustainability related objectives for inclusion in the LTIP award to be granted in December 2025
- Received People update including:
  - Voice of the Colleague session feedback
  - ED&I update
- Received the social impact and charity update
- Received Governance reporting including:
  - Terms of Reference compliance in 2025 and approved updates for 2026
  - Stakeholder engagements
  - External assessments and benchmark reporting
  - Year-end reporting preparation
  - Sustainability risk review including review of risk deep dive
  - Regulatory updates including Minimum Energy Efficiency Standards update

Terms of reference

The Committee's terms of reference are reviewed each year by the Committee and recommended to the Board for approval. We assessed our compliance with our terms of reference during the year and we also updated our terms of reference to take into account the requirements of the new Code which applies to Grainger from 1 October 2025. The Committee's terms of reference are published on our website (corporate.graingerplc.co.uk).

Meetings

The Committee's main work follows a structured programme of activity agreed at the start of the year. Attendance at the meetings is set out on page 92.

See below (Key activities) for a non-exhaustive list highlighting the Committee's work during the year under review.

Invitations to attend meetings

There is a standing invitation to the Executive Directors, who attend all of the Committee's meetings during the year. The Company Secretary acts as secretary to the Committee and the CPO, the Head of Sustainability and the Chair of the ED&I Network will also attend meetings of the Committee to present on specific topics.

Sustainability progress

The Committee assessed progress against the Group's FY25 sustainability objectives (see page 111 in the Directors' Remuneration Report) and workstreams in support of the business's long-term sustainability commitments (see the Sustainability Report). The Committee also received regular reports on stakeholder engagement activities (see our Stakeholder Engagement reporting which starts at page 79).

Net zero transition

The Committee was pleased to note the successful validation of Grainger's new emissions reduction target by the SBTi and that strong early progress has been made towards target achievement. An example net zero asset plan was presented and a new carbon investment tracker was introduced to support the Committee in monitoring investment in emissions reduction activities. The Committee was also advised of progress on the Company's engagement with policy makers and plans for future compliance with Minimum Energy Efficiency Standards which demonstrates effective management of a key potential transition risk.

Responsible Business Committee Report continued

Community and social impact

The Committee enjoyed hearing about the diverse charitable and community engagement activities that have taken place across Grainger's property portfolio and offices and was particularly pleased to see record levels of colleagues volunteering their time to give something back in their local community. An overview of the social impact generated from Grainger Trust was also presented and the Committee was briefed on the successful social impact pilots undertaken across Grainger's supply chain.

ED&I

On behalf of the Board, the Committee oversees our ED&I arrangements. ED&I sits at the heart of our People Strategy, building an inclusive culture that celebrates the unique strengths each colleague brings. Following the achievement of the leading external benchmark, the National Equality Standard in 2024, we remain committed to delivering best practice initiatives which enhance our culture.

The ED&I Network delivered a calendar of events and awareness sessions which were shaped by colleague feedback and introduced new topics. Our interactive panel events delivered a more conversational approach with colleagues sharing their lived experiences. Wellbeing initiatives took place where colleagues actively participated, such as National Walking Month.

Following the launch of our first ED&I data questionnaire in 2022, we have since issued it for a fourth year and we now hold diversity data for 90% of our colleagues.

We received positive feedback from colleagues who previously participated in our internal Mentoring programme as Mentors and Mentees. Recognising the value it brings to supporting colleagues' professional growth and development, we launched our fourth cohort.

Voice of the Colleague

As Grainger's designated Non-Executive Director for Workforce Engagement, I lead our Voice of the Colleague programme. During the year, I held two in-person roundtable events, one in London and one in Newcastle. These were attended by colleagues in a range of different roles. Our approach is to empower colleagues to speak up and share their feedback on our culture at Grainger, what they like best about working at Grainger and what they would like to see us improve on. Following the sessions the feedback is provided to the leadership team and actions are put into place. This has included our approach to cultural awareness, careers at Grainger and further opportunities for cross team collaboration.

Our CPO delivered a comprehensive update on our colleague engagement survey and shared detailed analysis of the results and emerging themes. We have strong colleague engagement, which is supported by departmental action plans which are informed and updated by the feedback and colleague suggestions.

Engagement initiatives which have been introduced include an Executive Committee Induction to support new joiners and bringing together ED&I and Wellbeing initiatives which are delivered by the ED&I Network.

Looking ahead

The Committee's key activities for 2026 will include:

- further monitoring of the progress of our sustainability objectives;
- the LTIP carbon metrics and science-based target;
- reviewing the Company's Net Zero Transition Plan and associated investment required to deliver it;
- continue to deliver our approach to ED&I; and
- monitoring our social impact across our community and charitable programmes.

Carol Hui OBE
Chair of the Responsible Business Committee

19 November 2025

Audit & Risk Committee Report

Membership and attendance table

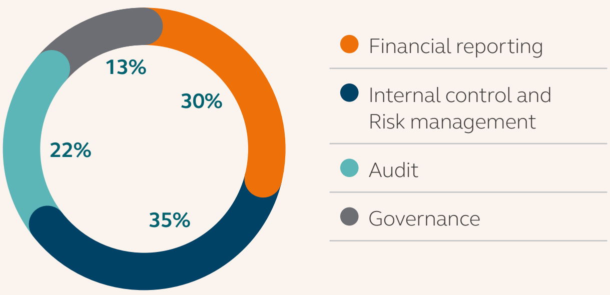
During the year the Committee met four times. Set out in the table below are details of the membership and attendance at these meetings.

Members	Meetings attended
Justin Read (Committee Chair)	4
Janette Bell	4
Michael Brodtman	4
Carol Hui	4

Simon Fraser was appointed to the Board as Chair Designate on 1 October 2025, and he also joined the Audit & Risk Committee. Subject to his election at the 2026 AGM, Simon will take over as Chair of the Board with effect from close of the AGM and he will retire from the Audit & Risk Committee.

Further details on our internal controls and risk management, including our principal risks and uncertainties can be found at page 61.

How the committee spent its time



Dear Shareholders,

I am pleased to present the Audit & Risk Committee report for FY25.

The Committee's role in the Group remains critical given the continued macroeconomic and political uncertainty, combined with significant changes to governance requirements. Its role includes supporting the Board in risk management, internal controls and financial reporting. The Committee members are all independent Non-Executive Directors and in line with the Code, the Chair of the Board is not a member.

This section of the Report provides an overview of the significant issues the Committee has considered, and its assessment of this Report as a whole, including how we have reviewed the narrative reporting to ensure it is an accurate reflection of the financial statements.

Terms of reference

Each year, the Committee considers its terms of reference, taking into account changes within Grainger and to external governance requirements, including the Code. During the year, we reviewed our terms of reference and recommended updates to the Board, which were approved. This included revising our name to include reference to our risk related responsibilities. Our updated terms of reference ensures they align with the 2024 version of the Code which applies to Grainger from 1 October 2025.

We also assessed the Committee's compliance with our existing terms of reference and confirmed that we have discharged our role and responsibilities as set out therein.

Governance

We continue to monitor and review developments in corporate governance to ensure that our audit and assurance arrangements continue to operate in line with best practice.

For example, in the year we reviewed the Company's measures to ensure compliance with the new "failure to prevent fraud" offence introduced as part of the Economic Crime and Transparency Act.

Risk and internal controls

Oversight of the Company's risk and control framework is a key responsibility of the Committee and this year we have continued to ensure that risks are appropriately identified, assessed and mitigated through regular risk reviews (including deep dives of specific risks) and reporting on risk and internal controls.

Our principal risks and uncertainties were reviewed during the year, and our programme of risk deep dives included reviewing risk appetite statements for the risk under review.

The Company operates with defined processes and risk and control matrixes which are owned by the relevant business area, and we received regular reporting on any control issues that have arisen in addition to the assurance received through the work of our co-sourced Internal Audit team led by our PwC partner.

A key focus this year has been to oversee the Company's development of arrangements to ensure compliance with the new Code, particularly planning for Provision 29 and the new material controls declaration requirements which will apply to Grainger from the reporting year commencing on 1 October 2026.

Audit & Risk Committee Report continued

We have defined what we consider to be the material controls relevant to Provision 29 and Management have reported on the development of our attestation and testing regime which will provide assurance over the operation of those material controls.

This additional assurance regime will develop and evolve during the next period and ensure that the required declarations can be made with confidence in our FY27 reporting.

For further details of the risk management framework, principal risks and uncertainties and key mitigations see pages 61 to 69.

Financial statements

One of the Committee's other key responsibilities which we carried out during the year is ensuring the Group's published financial statements show a true and fair view and are consistent with accounting and governance requirements.

The going concern and viability statements were reviewed closely, supported by financial modelling and scenario analysis and the resilience of the business continues to be evident in this review. In addition, we have concentrated on the fair, balanced and understandable reporting requirements for the Report supported by a number of appropriate papers from the CFO and his Finance Team, and by the independent work of our Internal and External Auditors.

We received regular updates on forthcoming changes to reporting requirements and were pleased to note that the FRC completed a review of the Company's 2024 Annual Report and Accounts and identified no issues requiring a substantive response. We have reflected on the reviewer's comments and made minor changes to our disclosures where appropriate[1].

External Auditors

KPMG LLP (KPMG) have continued as the Company's External Auditor and the team led by Craig Steven-Jennings engages constructively with Management and the Committee.
The Committee conducts an audit effectiveness review annually, including reviews of FRC reports on audit firm performance, in order to gain assurance and has concluded consistently that KPMG provide an effective audit with an appropriate level of independence. Accordingly, we are recommending the re-appointment of KPMG at the 2026 AGM.

I believe that our regular constructive challenge and engagement with Management, the External Auditor and the Internal Auditor and their teams, together with the timely receipt of high-quality reports and information from them, has enabled the Committee to discharge its duties and responsibilities effectively.

Justin Read
Chair of the Audit & Risk Committee

19 November 2025

Significant matters relating to the Group's 2025 financial statements

The most significant matters considered by the Committee and discussed with the External Auditor in relation to the Group's FY25 financial statements are detailed within the Independent Auditor's Report at page 125 and are summarised in the table below:

Significant matter	
Valuation of investment properties	Overstatement or understatement of valuation of investment properties due to the judgemental nature of inputs to the estimates.
Management override of controls	Fraud risk related to management override of controls may occur.
Revenue recognition (cut-off revenue from the sale of property)	Overstatement of revenue in year due to premature recognition of property sales. It should, however, be noted that sales of property involves low levels of judgement.

1. See here for the scope and limitations of the FRC review - www.frc.org.uk/library/supervision/corporate-reporting-review/scope-and-limitations-of-a-crr-review

Key responsibilities

The Committee's role and responsibilities include; financial reporting, narrative reporting, whistleblowing and fraud, internal control and risk management systems, Internal Audit and External Audit. These are set out in its Terms of Reference which can be found on our corporate website corporate.graingerplc.co.uk and these include the following matters which the Board has delegated authority to the Committee to oversee and review:

- Group's financial reporting process, including the classification of other adjustments.
- system of internal controls and the management of risks.
- whistleblowing policy, arrangements and reporting.
- internal and external audit process and relationship with the auditors.
- Company's process for monitoring compliance with applicable laws and external regulations including the prevention of fraud arrangements.

Ultimate responsibility for our financial reporting, compliance with laws and regulations and risk management rests with the Board, to which the Committee reports regularly.

The Board has determined that Justin Read has recent and relevant financial experience as required by the Code. Please refer to pages 74 and 75 for skills and experience of the Directors and page 88 for the Nominations Committee report which includes our reporting on Board and Committee composition, skills and expertise.

Meetings

The Committee's main work follows a structured programme of activity agreed at the start of the year. Attendance at the meetings is set out at page 95.

Key activities

November 2024

Valuations

- Received presentations from the independent external valuers of Grainger's reversionary and market rented assets.

Internal control & risk

- Received Internal Audit reporting including reports on the audits relating to cyber security and the Company's BTR assets at The Condor and The Mint.

Reporting

- Received reports on and considered matters relating to the 2024 full year, including:
  - the effectiveness of the Company's internal controls;
  - activities relating to the 2024 Code, including preparing for the coming into effect of Provision 29 (material controls) on 1 October 2026;
  - Management's summary of the Company's key accounting positions and judgements;
  - Management's assessment of going concern and viability;
  - the External Auditor's year end audit report;
  - the draft Annual Report and Accounts 2024 and the related announcement (including recommending the drafts to the Board for approval); and
  - Considered KPMG's independence.

February 2025

Internal controls & risk

- Received Internal Audit reports on the new failure to prevent fraud offence included in ECCTA and audits relating to Block Management, H&S as well as reporting on progress against the Internal Audit plan and progress on previous report findings.
- Received reporting on the planning of deep dives of principal risks and uncertainties during the year.
- Received internal controls report including an update on the Company's planning for Provision 29 (material controls).
- Received the post completion review in relation to the BTR asset at The Mint.
- Reviewed the Company's whistleblowing policy and reporting in order to assess its effectiveness on behalf of the Board.

Audit

- Assessed and confirmed to the Board the effectiveness of the Internal Audit and External Audit arrangements.
- Considered the External Auditor's plan for the review of the 2025 half year results.

May 2025

Valuations

Received presentations from the independent external valuers of Grainger's reversionary and market rented assets ahead of the release of the Company's half-year results.

Considered and approved a request to the RICS for an exemption to the valuer rotation rules in relation to the Company's regulated tenancy assets, which require specialist valuation.

Reporting

- Reviewed the outcome of the FRC's review of the 2024 Report.
- Received reports on and considered matters relating to the 2025 half year, including:
  - Management's review of accounting policies and any changes to the applicable standards;
  - going concern review;
  - review of the principal risks and uncertainties;
  - KPMG's 2025 half-year report; and
  - a review of the draft half year financial statements and the related announcement (including recommending the drafts to the Board for approval).

Internal control & risk

- Received Internal Audit reports including in relation to Business Continuity Planning, audits of the BTR sites at Millet Place and The Barnum, Block Management and reporting on progress against the Internal Audit plan.
- Received the post completion reviews in relation to the BTR assets at The Condor and The Barnum.
- Received reporting on the deep dives of the sustainability/TCFD principal risk and uncertainties.
- Received the internal controls report which included a review of the Company's AI Use Policy as well as an update on the Whistleblowing Policy to include a route for reporting directly to the Senior Independent Director.

Audit & Risk Committee Report continued

September 2025

Internal control & risk

- Received Internal Audit reports including the audit of the Astley, reporting on progress against the 2025 Internal Audit plan as well as approving the 2026 Internal Audit plan.
- Received the annual report on compliance including reporting relating to training arrangements, ECCTA, tax evasion, data protection, whistleblowing, modern slavery, anti-bribery and corruption, fraud and financial crime, and UK MAR.
- Received a risk report which included updates to the principal risks and uncertainties, the review of emerging and evolving risks as well as a review of the Company's risk arrangements against the Raising Your Game best practice guidance.
- Received an update on the Company's planning for Provision 29 (material controls).
- Considered the emerging and evolving risks and approved updates to the principal risks and uncertainties descriptions.
- Received the post completion review in relation to the BTR asset at The Astley.
- Reviewed deep dives of the H&S and Supplier principal risks and uncertainties.

Reporting

- Received KPMG's reporting including:
  - the 2025 year-end audit and reporting plan and strategy; and
  - review of the non-audit fee and work and the assessment of their independence.
- Considered the 2025 draft going concern and viability statements and related analysis.
- Considered KPMG's audit strategy memorandum and engagement regarding the audit for the full year 2025.

Governance

- Reviewed the Committee's compliance with its terms of reference in 2025.
- Approved updates to the Committee's terms of reference effective 1 October 2025 and recommended the same to the Board for approval.
- Approved updates to the Auditor Independence Policy and recommended the same to the Board for approval.

At the end of each meeting the Committee will consider items for inclusion in the next scheduled meeting and the Non-Executive Directors will meet with Internal Auditor and/or External Auditor without the Executive Directors.

Pages 97 and 98 include a non-exhaustive list highlighting the Committee's work during the year under review.

Whistleblowing

Our whistleblowing arrangements form part of our internal controls.

On behalf of the Board, the Audit & Risk Committee monitors our whistleblowing arrangements ensuring that colleagues are able to raise any matters of concern. Our risk culture promotes open communication and we have in place whistleblowing arrangements which include an externally provided whistleblowing hotline that our colleagues can use anonymously if they do not wish to use our other internal processes for raising concerns. Our whistleblowing policy and arrangements are reviewed annually.

This year we updated our policy to include reporting to the Audit & Risk Committee Chair where a matter relates to an Executive Director.

We will investigate whistleblowing reports and we have a zero-tolerance policy for any retaliation arising from a whistleblowing report.

Our whistleblowing arrangements also include training which is completed by all colleagues plus regular reminders and awareness campaigns.

Invitations to attend meetings

In accordance with Provision 24 of the Code, the Chair of the Board is not a member of the Committee although there is a standing invitation to both the Chair and the Executive Directors to attend all of the Committee's meetings during the year.

Simon Fraser is a member of the Committee since his appointment to the Board on 1 October 2025. Subject to his election at the 2026 AGM, Simon will take on the role of Chair of the Board at the close of the 2026 AGM. At the same time, he will retire from the Committee. This will ensure that we continue to comply with Provision 24 of the Code.

The Company Secretary acts as secretary to the Committee and the Director of Group Finance and the Group Financial Controller together with representatives of the Internal and External Auditors also attend meetings. Both auditors also meet with the Non-Executive Directors during the year without the Executive Directors present. The Company's property valuers also attend some of the Committee meetings to explain their methodology, processes and conclusions directly during the year.

Fair, balanced and understandable

The Committee has reviewed whether this Report (taken as a whole) is fair, balanced and understandable, and whether it provides the necessary information to Shareholders to assess the Group's position and performance, business model and strategy. The Committee, and following the recommendation of the Committee, the Board, were satisfied that, taken as a whole, the Report is fair, balanced and understandable.

Going concern and financial viability

The Committee reviewed the appropriateness of adopting the going concern basis of accounting in preparing the full year financial statements and assessed whether the business was viable, including a review of principal risks and uncertainties, in accordance with the requirements of the Code. The Group's viability statement is on page 70.

Schedule of fees paid to KPMG	Year ended 30 September 2024 £	Year ended 30 September 2025 £
Statutory audit of Grainger Group	612,725	**638,000**
Total audit fees	**612,725**	**638,000**
Half year review	67,000	**68,000**
Total non-audit fees	**67,000**	**68,000**

External Auditor objectivity and independence

The objectivity and independence of the External Auditor are critical to the integrity of the Group's audit. During the year, the Committee reviewed the External Auditor's own policies and procedures for safeguarding its objectivity and independence.

On three occasions during the year the Audit Engagement Partner made representations to the Committee as to the External Auditor's independence. This also confirmed that KPMG's reward and remuneration structure includes no incentives for the audit partner to cross-sell non-audit services to audit clients. KPMG duly applies the requirement to rotate audit partners every five years. Craig Steven-Jennings was appointed as Audit Engagement Partner in 2024 and 2025 is his second year as audit partner.

The Committee appraised KPMG's performance by assessing its audit plan, the quality and consistency of its team and reports received and discussions held with the Committee. The Committee considered the FRC's Guidance for Audit Committees and noted the steps taken by KPMG in this regard. In addition, we received feedback from the Grainger Finance Team. We also considered the tone of KPMG's relationship with the Executive Directors, which we assessed as constructive and professional yet independent and robust.

The Committee also approved updates to the Company's Auditor Independence Policy which governs how we ensure we maintain auditor independence, including the circumstances in which the auditor can undertake non-audit services. This policy substantially restricts the types of non-audit services that can be rendered and specifies the limited circumstances in which an engagement can be made and is available on our website corporate.graingerplc.co.uk.

The non-audit services provided by KPMG were limited to the half year review and, in approving this appointment, the Committee applied the policy and were satisfied that the appointment was in the best interests of the Company and its stakeholders and that the overall levels of audit-related and non-audit fees were not of a material level relative to the income of the External Auditor firm as a whole.

External auditor tenure

Following this year's audit, KPMG will have been the Group's auditor for eleven years. A tender process was undertaken in 2023 which resulted in the re-appointment of KPMG for a further term which cannot exceed Financial Year 2034. These arrangements comply with the Competition and Markets Authority Order on Statutory Audit Services.

The Committee monitors the performance of the External Auditor annually before making a recommendation to the Board for the following year's appointment. We were satisfied that we should recommend the re-appointment of KPMG to Shareholders at the 2026 AGM.

Internal controls

On behalf of the Board, the Committee reviews the operation and effectiveness of Grainger's internal controls. This internal controls system is designed to manage risks as far as possible, acknowledging that no system can eliminate the risk of failure to achieve business objectives entirely. Neither the Committee nor the Board identified any significant failings or weaknesses in the year.

The effectiveness of the internal controls is evaluated by a combination of review by Grainger's Executive and Management Committees and Divisional Boards, as well as the Internal and External Auditors.

We considered the control deficiency reported by KPMG in respect of manual journal entries, reviewed compensating controls the business has in place and concluded that those compensating controls are appropriate and effective.

Provision 29

During the year the Committee has overseen the Company's preparations ahead of the implementation of Provision 29 of the 2024 Code which will require the Board to make a declaration on the effectiveness of its material controls at the balance sheet date. The Committee has received regular updates on the implementation of an attestation programme that will support the Board's assessment and declaration. This includes discussion and the identification of the material controls to which the declaration will relate.

Internal Audit

PwC is appointed by the Company as Internal Auditor, working with our in-house Internal Audit resource in a co-sourced model. Internal Audit focuses on the areas of greatest risk to the Company. Audits are considered during an annual audit planning cycle. This is informed by the results of current and previous audit testing, the Company's strategy, performance and the risk management process. Additional audits may be identified during the year in response to changing priorities and requirements.

The Committee approves the plan and monitors progress. All Internal Audit findings are graded, appropriate remedial actions agreed, and progress monitored and reported to the Committee.

The Internal Audit Team has a direct reporting line to the Chair of the Committee. We assess the effectiveness of Internal Audit by reviewing its reports, feedback from the CFO, auditees and through meetings with the Internal Auditor without Management present.

The Internal Audit programme for 2025 included reviews of:

- Procurement and contract management
- IT general controls
- Sustainability reporting
- Grainger Trust
- Building Safety Act
- H&S
- The rolling programme of site audits

The Internal Audit plan for 2026 has a particular focus on:

- Compliance with the updated Code
- Controls around supplier H&S compliance
- Acquisitions
- HR processes
- Cyber Penetration testing
- Financial Control
- Lease Renewals processes

Looking ahead

The Committee looks forward to continuing to support the Board and Company in the coming year, and will continue to focus on the Company's reporting, risk management and assurance activities.

Directors' Remuneration Report

This section of the Report includes the Annual Statement, our proposed Directors' Remuneration Policy (which will be submitted to Shareholders for approval at the 2026 AGM), and the Annual Report on Remuneration.

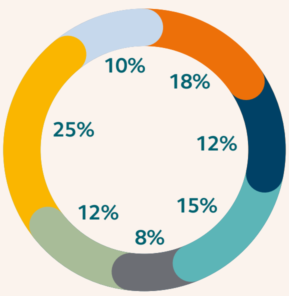
Membership and attendance table

During the year the Remuneration Committee met five times. Set out in the table below are details of the membership and attendance at these meetings.

Members	Meetings attended
Janette Bell (Committee Chair)	5
Justin Read	5
Mark Clare	5
Carol Hui	5
Michael Brodtman	5

Simon Fraser was appointed to the Board as Chair Designate on 1 October 2025, and he also joined the Remuneration Committee.

How the committee spent its time



- Governance and reporting
- Investor communication
- Executive share plans
- Performance monitoring and review
- Senior management remuneration and retention
- Directors' Remuneration Policy implementation and review
- Wider employee remuneration and cost of living

Annual Statement

Dear Shareholders,

As Chair of the Remuneration Committee, I am pleased to present the Directors' Remuneration Report for FY25 together with our proposed Directors' Remuneration Policy which we are submitting to Shareholders for approval at the 2026 AGM.

As in previous years, this section of the Report is divided into the following three sections:

- The Annual Statement, which summarises the remuneration outcomes for FY25, the key decisions taken by the Remuneration Committee during the year;
- The Directors' Remuneration Policy, which sets out the proposed remuneration policy for Executive and Non-Executive Directors and is subject to a binding shareholder vote at the 2026 AGM; and
- The Annual Report on Remuneration, which describes how the existing Policy was implemented in FY25 and how the proposed Policy (which is subject to Shareholder approval) will be operated in FY26.

2025 business context

FY25 saw another year of strong growth across key metrics such as net rental income and EPRA earnings. The management team delivered an excellent operational performance with occupancy at 98.1%, like-for-like rental growth at 3.6% with strong customer retention at 61%.

This strong growth combined with successful delivery and lease up of our new schemes saw net rental income increase by 12%. EPRA earnings were also up 12%, as the business continues to deliver strong compounding growth ensuring good progress towards the FY29 Earnings guidance of £72m.

It was also another good year for sales with £169m of sales delivered during the year, demonstrating both the value and liquidity of our asset base. Despite the challenging macroeconomic environment the portfolio continues to demonstrate its resilience with valuations stable and EPRA NTA resilient at 298p per share.

Adjusted earnings were broadly flat at £91.0m (FY24: £91.6m) as the sales profits from our reducing regulated tenancy business are replaced with rental income from our pipeline. The lower sales profits were in line with the smaller and decreasing size of the regulated tenancy portfolio.

The dividend per share also continues its strong growth trajectory, increasing by 10.1% to 8.31p on a per share basis, our 20th consecutive period of growth.

Management have delivered on the long-term ambition of REIT conversion during the year. This represents a landmark in the major transformation of the business from a predominantly trading focus to a focus on growing recurring rental income.

2025 incentive outcomes

The 2025 annual bonus comprised a combination of PRS net rental income (35%), adjusted earnings (35%), and strategic and ESG 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 adjusted earnings targets were higher than those set for 2024 despite an expected smaller profit contribution from our diminishing regulated tenancy portfolio.

Adjusted earnings of £91.0m was 7.9% ahead of the budget set by the Board but below the maximum target. This outcome was marginally lower than last year's adjusted earnings (£91.6m) and reflected the lower sales profit contribution from our diminishing regulated tenancy portfolio and the exceptional year of regulated sales achieved in 2024 (£38.7m sales in 2025 versus £47.9m in 2024).

PRS Net Rental Income of £111.6m was delivered and this was 14% higher than last year (£97.7m). This strong performance delivered a bonus outcome which was also above target but below maximum.

The 2025 strategic element covered clear objectives relating to customer satisfaction, business resilience, funding and investment, and sustainability. Performance in this area was ahead of expectations and resulted in an outcome of 78.7%.

Overall, a bonus of 81.4% of maximum was earned by the Executive Directors. 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 98.1%. In addition, customer satisfaction as measured by NPS is +42.

The LTIP award granted to the CEO and CFO on 12 December 2022 will vest on 11 December 2025 based on three equally weighted performance metrics being relative Total Shareholder Return (TSR), Total Property Income Return (TPIR) and Secured PRS Investment targets over the three years ended 30 September 2025.

The relative TSR measure was not achieved and the TPIR and Secured PRS Investment targets were met in full resulting in an overall vesting of 66.7%.

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

Fortunes Dock, Canning Town

Directors' Remuneration Report continued

Review of the Directors' Remuneration Policy (Policy)

During the year the Committee reviewed and consulted on changes to the Policy ahead of submitting it for Shareholder approval at the 2026 AGM.

Following its review, the Committee concluded that our existing approach to Directors' remuneration remains appropriate with the following limited amendments:

- the Executive Director bonus potential is increased from 140% to 150% of salary to more closely align it to our sector and to best practice; and
- the on-target bonus is reduced from 60% of maximum to 50% of maximum which further aligns us with best practice.

These proposed changes are considered broadly neutral from a cost perspective as while bonus awards for maximum performance levels will be higher, bonus awards for on-target will be lower (with the cross-over point being broadly halfway between on-target and maximum).

There are no other changes to the Policy that was approved by Shareholders in FY23.

Applying the Policy in financial year 2026

Details of the Committee's proposed implementation of the new Policy in respect of FY26 are set out below. This is subject to Shareholder approval of the proposed Policy at the 2026 AGM.

Executive Director base salary levels

Executive Director base salaries will be increased by 3% effective from 1 January 2026 which is aligned to the workforce average. We will be increasing the hourly rate for our lowest paid colleagues from 1 January 2026 which will be above the 3% increase applying to the rest of the workforce.

Annual bonus

Subject to shareholder approval of our new Policy, the annual bonus potential will be 150% 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 financial performance and 30% on a number of key strategic and operational measures based on customer satisfaction, business resilience, funding and investment, and sustainability related objectives.

To ensure that the implementation of the new Policy remains aligned to Grainger's strategy and our conversion to the REIT status (which took place on 8 September 2025), the Committee is making changes to the financial annual bonus measures for FY26, as follows:

- *EPRA earnings (40%)* – EPRA earnings will replace Adjusted Earnings (previously weighted at 35%), and will be largely driven by Net Rental Income growth which is also a key performance indicator following our conversion to a REIT; and
- *Asset recycling (30%)* – Given that EPRA Earnings excludes profits from the property sales, an asset recycling metric will operate to incentivise the sale of the remainder of our low yielding regulated tenancy properties, portfolios and land to reinvest the capital into our BTR pipeline and new higher-yielding BTR opportunities. This will replace PRS Net Rental Income (previously weighted at 35%). It is anticipated that, over time, the weighting of the asset recycling measure in future bonus schemes will reduce as the size of our regulated tenancy portfolio reduces.

The actual targets, and the performance against them, will be disclosed in the 2026 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 due to be granted in December 2025.

The Committee has considered carefully the appropriate measures for the next LTIP cycle in the context of our conversion into a REIT.

The following measures and weightings will apply to the LTIP award to be granted in December 2025:

- Absolute Total Accounting Return (TAR) (30%) – Reflecting the Committee's desire to reward absolute total returns following our REIT conversion, absolute TAR, being the percentage change in EPRA Net Tangible Assets per share plus dividends, will replace Total Property (Income) Return for 30% of the award.
- Relative Total Shareholder Return (TSR) (30%) – There is no change. TSR will continue to be measured against our FTSE 350 sector peers (excluding agencies) with the weighting unchanged at 30%.
- EBITDA margin (30%) – There is no change. We will continue to incentivise an increase in the EBITDA Margin, which measures operational leverage as it combines the benefits of growing net rents with the need for central cost efficiency, with the weighting unchanged at 30%.
- Sustainability – Environmental (10%) – We will include two metrics that align to our SBTi validated targets: (a) Scope 1 and 2 absolute reduction; and (b) Scope 3 intensity reduction.

The Committee believes the above mix of LTIP measures will provide a robust assessment of performance over the next three year period and ensures long term strategic alignment. Further details of the LTIP targets are set out in the Annual Report on Remuneration.

As well as the usual advisory vote on the Directors' Remuneration Report, there will also be a binding Shareholder vote on the proposed new Policy at the 2026 AGM and a resolution to approve the LTIP rules which are due for renewal ahead of their 10-year expiry in 2027. In line with the guidance published by The Investment Association, the new LTIP rules will include a single 10% in 10 years' dilution limit to provide greater flexibility in extending share plan participation across the Group. Further details will also be included in our Notice of AGM.

We look forward to your support on these resolutions.

Janette Bell
Chair of the Remuneration Committee

19 November 2025

Directors' Remuneration Policy

This part of the Report sets out the Directors' Remuneration Policy (Policy) which, subject to Shareholder approval at the 2026 AGM, will take binding effect from the date of that meeting and will be in place for the next three-year period unless a replacement Policy is presented to Shareholders before then.

Subject to approval by Shareholders, all payments to Directors during the Policy period will be consistent with the approved Policy.

The key differences between the existing Policy which was approved by Shareholders in 2023 and the proposed new Policy is the increase in annual bonus opportunity from 140% to 150% of base salary and the inclusion of an 'on-target' payout of 50% of maximum bonus opportunity.

The following table summarises the main elements of the proposed Policy as it applies to the Executive Directors, 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 109.

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 aid recruitment and retention of high-quality executives.
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	Pension contributions shall be no higher than the general workforce rate which is currently 10% of salary.
Framework to assess performance	N/A

Directors' Remuneration Report continued

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	150% 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 sustainability 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 rising on a graduated scale to 100% for stretch performance. Typically, on-target performance will deliver a bonus of 50% of the maximum opportunity. 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. The Committee has discretion to apply malus or clawback to cash bonus payments and/or deferred bonus share awards (see Malus and clawback section, opposite, for details).

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 sustainability). 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. Any use of such discretion would be detailed in the Annual Report on Remuneration. The Committee has discretion to apply malus or clawback to LTIP awards (see Malus and clawback section, opposite, for details).

All-employee 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 invest 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, 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 Policy presented at the 2020 AGM. Buyout awards and own shares purchased are excluded from this.

Notes to the future Policy for Executive Directors

Malus and clawback

Malus and clawback provisions apply to the Executive Directors' incentive arrangements under the Grainger malus and clawback policy, as amended from time to time.

Under the malus and clawback policy, the Committee may, at its discretion, reduce the size of any future bonus or share award (potentially to nil), reduce the size of any granted but unvested share award (potentially to nil), or to require an Executive Director to make a payment to the Company.

The malus and clawback provisions may be invoked to the Executive Directors' incentive arrangements in the event of:

- a misstatement of the Company's results;
- a miscalculation or an assessment of any performance conditions that was based on an error or on inaccurate or misleading information or assumptions;
- serious misconduct;
- the Company becomes insolvent or is put into administration;
- reputational damage to a Group company*; or
- a serious health and safety event*.

* In these circumstances the Committee will also consider the extent to which the relevant individual was involved (directly or through oversight) in such events.

The malus and clawback provisions may be invoked for three years from: (i) the date of payment of any cash bonus; (ii) the grant of any deferred bonus share award; or (iii) the vesting of a LTIP award. These periods may be extended by the Committee for a further two years to allow an investigation to take place.

Subject to compliance with the Directors' Remuneration Policy, the Committee may amend the Grainger malus and clawback policy from time to time where it considers that to be appropriate and in line with wider practice elsewhere.

Directors' Remuneration Report continued

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 UK 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.

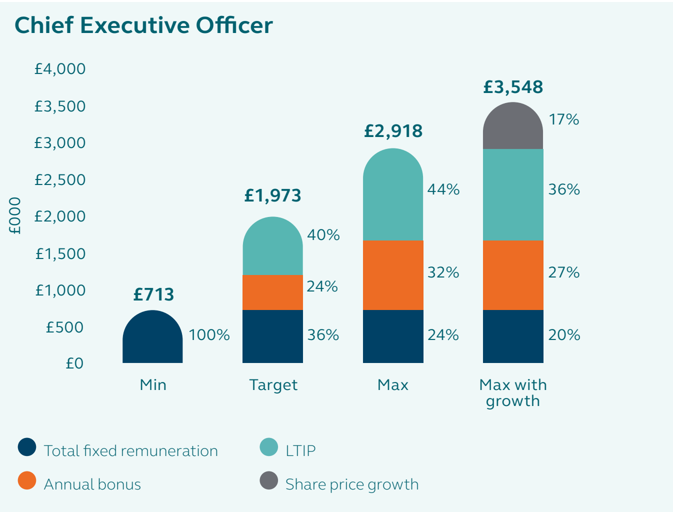
The Committee also retains the ability to adjust the targets, and/or set different measures and alter weightings for the annual bonus plan and to adjust targets for the LTIP if events occur (e.g. material divestment of a Group business or a change in strategic direction) which cause it to determine that 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.

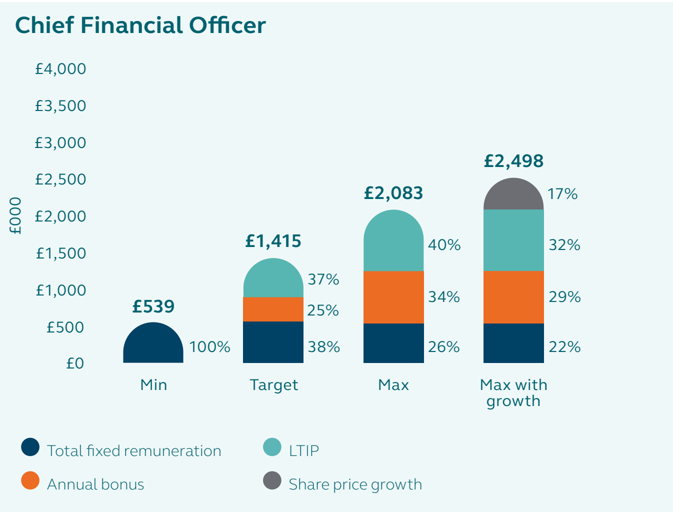
Peer group

In assessing Grainger's pay practices, including structure, quantum and performance metrics and remuneration policies, the Committee's primary reference point are the constituents of the FTSE 350 Real Estate companies (excluding agencies), which comprised: British Land Company, Big Yellow Group, Derwent London, Great Portland Estates, Hammerson, Harworth Group, Land Securities Group, London Metric Property, Primary Health Properties, Safestore Holdings, SEGRO, Shaftesbury Capital, Sirius Real Estate Limited , Supermarket REIT, Target Healthcare, The Unite Group, Warehouse REIT and Workspace Group.

Reward scenarios for Executive Directors

The Company's Policy results in a significant proportion of remuneration received by Executive Directors being dependent on Company performance. The composition and total value of the Executive Directors' remuneration package for the financial year 2025/26 at minimum, on-target, maximum performance and maximum with share price growth scenarios are set out in the charts below.





Assumptions used in determining the level of payout under given scenarios are as follows:

- Minimum = base salary at 1 January 2026, estimated FY26 benefits and pension contribution of 10% of salary (fixed pay).
- On-target = 50% payable of the 2026 annual bonus opportunity payable and 62.5% vesting of the 2026 LTIP awards vesting.
- Maximum = 100% payable of the 2026 annual bonus (based on a maximum of 150% of salary for the CEO and CFO) and 100% of the 2026 LTIP awards vesting (based on a face value of 200% of salary for the CEO and 175% of salary for the CFO).
- Maximum with share price growth = as per maximum but with a 50% share price growth assumed on LTIP awards.

How the Policy relates to the wider Group

The Policy provides an overview of the structure that operates for the Executive Directors and Senior Management 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. 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 management, 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 colleagues an overview of Company strategy and provide 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. See Responsible Business Committee Report for further details at page 92.

The CEO has regular meetings with our people including breakfast meetings with new employees. Annual employee engagement surveys and half year pulse surveys are also carried out, the results of which are presented to the Board by the CPO.

In addition, the Board’s Responsible Business Committee provides oversight of the delivery of the Company’s Sustainability strategy and its ED&I plans and reports on the same 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 on-going review of the Policy (as has been the case in relation to the proposed Policy changes this year). In respect of the 2025 AGM, feedback received was positive and is reflected in the voting outcome.

Major Shareholders and the main representative bodies were consulted on the proposed changes to the Remuneration Policy and its implementation for FY26 and it was clear based on the feedback received that there were strong levels of support for the proposals. No changes were required to the original proposals.

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 Remuneration 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 150% of salary and LTIP award of 200% of salary (as per the limits in the Policy table).

Directors' Remuneration Report continued

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 granted under existing schemes or under provision 9.3.2(2) of the UK Listing Rules. The Policy states 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.

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 on-going 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 chairmanship of the Audit & Risk, Remuneration and Responsible Business Committees and for the additional responsibilities of the Senior Independent Director and the Non-Executive Director designated 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 LTIP, 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 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 chairmanship of the Company's key 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

Annual Report on Remuneration

The Annual Report on Remuneration, details how our existing Policy was implemented during the financial year ended 30 September 2025. This section of the Report has been prepared in accordance with the provisions of the Companies Act 2006 and related Regulations.

An advisory resolution to approve the Annual Statement and the Annual Report on Remuneration will be put to Shareholders at the 2026 AGM.

1. Single total figure of remuneration for each Director

The remuneration of Directors showing the breakdown between components with comparative figures for 2024 is set out below.

This table and the details set out in Notes 1 to 6 on pages 110 to 115 to of this Report have been audited by KPMG.

2025	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	**607**	**20**	**2**	**691**	**582**	**61**	**1,963**	**690**	**1,273**
Rob Hudson	**473**	**17**	**2**	**539**	**416**	**47**	**1,494**	**539**	**955**
	1,080	**37**	**4**	**1,230**	**998**	**108**	**3,457**	**1,229**	**2,228**
Non-Executive Directors[8]									
Mark Clare	**221**	–	–	–	–	–	**221**	**221**	–
Justin Read	**78**	–	–	–	–	–	**78**	**78**	–
Janette Bell	**68**	–	–	–	–	–	**68**	**68**	–
Carol Hui	**68**	–	–	–	–	–	**68**	**68**	–
Michael Brodtman	**57**	–	–	–	–	–	**57**	**57**	–
	492	–	–	–	–	–	**492**	**492**	–
Totals	**1,572**	**37**	**4**	**1,230**	**998**	**108**	**3,949**	**1,721**	**2,228**

1. From 1 January 2025, the CEO's and CFO's salaries were increased by 3% to £611,685 and £477,203 respectively.
2. Taxable benefits comprised of a car allowance and private medical insurance.
3. 25% of the bonus is deferred into shares for three years.
4. See Note 3 on page 112 for information in respect of the LTIP awards that are due to vest in December 2025.
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 13 on page 118 in relation to the fees as at 1 January 2025 and 1 January 2026.

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	359	58	1,826	659	1,167
Rob Hudson	456	16	2	631	257	46	1,408	519	889
	1,039	32	4	1,439	616	104	3,234	1,178	2,056
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	616	104	3,689	1,633	2,056

1. The CEO's salary increased by 6% (to £591,000) and the CFO's salary by 5% (to £461,066) from 1 January 2024.
2. Taxable benefits comprised of a car allowance and private medical insurance.
3. 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 price on the date of vesting being 226.5p and the value of accrued dividends. 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 2025

In determining the bonus outcomes for 2025, 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 Net Rental Income (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 2025 are set out in the table below.

Financial performance (70% of the 2025 annual bonus opportunity)

Measure	Weighting	Threshold (0% out-turn)	Target (60% out-turn)	Maximum (100% out-turn)	2025 performance	Out-turn (% of max element)
Adjusted earnings	35%	£75.9m	£84.3m	£92.7m	**£91.0m**	**91.9%**
PRS NRI	35%	£104.3m	£109.8m	£115.3m	**£111.6m**	**73.3%**

The 2025 annual bonus comprised a combination of PRS NRI (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 sustainability) which underpin our strategy.

The key components of adjusted earnings are sales from our regulated portfolio and growth in NRI. 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 2025 was forecast to be lower, partly offset by higher NRI.

Stretching targets were set against this backdrop in the context of a period of continued macro uncertainty. Outturn for the year saw 12% growth in net rental income (£123.6m), with PRS net rents of £111.6m which represents 73.3% of the maximum target. Adjusted earnings for the year were £91.0m, which represents 91.9% of the maximum target.

This strong performance was achieved through the in-house teams' focus on occupancy, speed of lease up and cost efficiency as well as the delivery of a large and diverse sales program which was executed despite a challenging environment.

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. When combined with performance against the strategic targets, annual bonus was calculated at 81.4% of the maximum available.

Non-financial performance (30% of the 2025 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 +48 and improve PRS non-amenitised by 20% = 2%	Achieved in part (1%) with NPS score at +42 and PRS South score improved
	Successful roll-out of new customer facing website, increasing the number of qualified leads from 19% to 25% and improving conversion rate from 5% to 8% = 2%	Achieved in full (2%) with number of qualified leads over 25% and conversion rate at 7.8%
	Improve complaints process (85% of all complaints resolved within 14 days) = 2%	Achieved in full (2%). Over 85% of complaints resolved within 14 days.
2. Business Resilience (8%)	Successful delivery of REIT ready for October 2025 conversion = 1%	Achieved in full (1%) with conversion achieved on 8 September 2025
	Bring three viable opportunities of existing portfolios that would deliver a material step change for the Company to the Board for approval, subject to financial and tax due diligence = 3%	Achieved in full (3%)
	Reposition business processes to deal with the changes from rental reform and operate effectively = 2%	Achieved in full as far as able from the draft Renters Rights Bill (2%)
	Review CONNECT to establish if a reduction can be made to reduce existing running costs. Design CONNECT 2.0 to deliver further cost efficiencies across the business and service improvements going forward = 2%	Achieved in full (2%)
3. Funding and Investment (9%)	Prepare sales plan to deliver £170m to £250m of sales to achieve balance sheet resilience (graduating scale) = 7% Being able to start one TfL project. Put all consents in place (e.g. planning, building consent). Subject to TfL approval = 2%	Achieved in part – delivered £196m* of sales (3.6%) and Bollo site agreed subject to TfL and BSR approvals (1%)
4. Community, Environment, Governance and People (inc. Health and Safety) (7%)	Implement the next phase of fire safety remediation work to achieve progress across all schemes measured as a % of completion versus the full programme. All schemes to be on site excluding those needing planning consent = 2%	Achieved in part with the remaining schemes scheduled for completion (1%)
	Achieve safety climate survey of 3.77 (ahead of industry benchmarks) = 1%	Achieved in full (1%)
	Colleague engagement survey to achieve at least 1* all company engagement score. All departments to achieve 1* = 1%	Achieved in full (1%). Achieved overall 2* and all departments 1* or above
	H&S Restructure - successfully onboard Director of H&S. Restructure team and embed new processes between Operations and Compliance providing the Board with confidence on quality of H&S function = 2%	Achieved in full (2%)
	To have completed the SBTi validation process by the end of the financial year = 1%	Achieved in full (1%). Validation achieved during the year

* £169m plus £27m unconditionally exchanged.

Annual Report on Remuneration continued

Pursuant to the above assessment the Committee determined that 23.6% of the maximum 30% of this part of the bonus would be payable and was appropriate in the circumstances.

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 81.4% of the maximum bonus opportunity is representative of our performance during the year.

	Bonus opportunity	2025 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	**81.4%**	**£518,468**	**£172,823**
Rob Hudson	140% of salary	**81.4%**	**£404,481**	**£134,827**

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

3. LTIP awards performance assessment for 2025

LTIP awards vesting in December 2025

The LTIP awards granted to Helen Gordon and Rob Hudson on 12 December 2022 are due to vest on 11 December 2025. These awards are based on a relative TSR condition, a Total Property Income Return (TPIR) condition, and a Secured PRS condition, 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 quartile ranking**	**TSR of -21.1% places Grainger below median**	**0%**
TPIR[2]	**33.3%**	**3.5% p.a**	**5.0% p.a**	**5.9% p.a**	**100%**
Secured PRS[3]	**33.3%**	**£500m**	**£600m**	**£600m**	**100%**
Total vesting	**100%**				**66.7%**

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, Home REIT, LondonMetric Property, Primary Health Properties, Safestore, SEGRO, Shaftesbury Capital, Sirius Real Estate, Supermarket Income REIT, Target Healthcare REIT, Tritax Big Box REIT, UNITE Group , Warehouse REIT and Workspace Group.
2. The average like-for-like rental growth over the three-year period was 5.9% (2023: 7.7%, 2024 6.3%, 2025 3.6%). This resulted in performance above 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. As set out in the 2023 Annual report, the targets were set during a period of significant uncertainty and as the first year of the 3 year performance period progressed, performance has been very strong and the Committee felt it would be appropriate to increase the agreed targets from £250m to £350m to a cumulative threshold target of £500m and a maximum target of £600m for the three-year period ended 30 September 2025. The targets were set on the assumption that funding for acquisition and development of potential sites is provided from the ongoing asset recycling programme, operational cash flow generation of the Company and with continued focus on the loan-to-value position. The actual value of investment secured during the period was £600m and was made up of:
   - £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)
   - £35m in FY25 (Bollo Lane (TfL, 51% share))
4. 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 12 December 2022 is 66.7% 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	**417,297**	**139,273**	**278,024**	**582**	**689**	**(107)**
Rob Hudson	**298,616**	**99,663**	**198,953**	**416**	**493**	**(77)**

1. Based on the average three-month share price to 30 September 2025 of 199p. No part of this value was attributable to share price growth between grant and 30 September 2025.
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 2024

The awards made to Helen Gordon and Rob Hudson on 16 December 2021 vested on 15 December 2024 and were based one-third on relative TSR, one-third on TPR and the remaining one-third on Secured PRS Investment.

In aggregate, 44.7% of the December 2021 LTIP award vested in line with what was set out in last year's report. The value of these awards shown in the revised 2024 single figure table included in this Annual Report and Accounts is based on the share price at the date of vesting (15 December 2024 (226.5p)) 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 FY25:

	LTIP share awards (18 December 2024)		DBSP share awards (18 December 2024)	
	Number	Face value £'000	Number	Face value £'000
Helen Gordon	**515,032**	**1,182**	88,673	202
Rob Hudson	**351,575**	**807**	69,336	158

LTIP

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 230p, being the average share price for the five business days immediately preceding the award being made on 18 December 2024. The awards will vest three years after grant and a two-year holding period will apply.

Vesting of the awards is dependent upon continued employment and satisfying performance criteria.

Four measures apply, a relative TSR condition measured against a group of real estate companies (30% of awards), a TPIR condition (30% of awards), a Secured PRS Investment condition (30% of awards) and an ESG condition (carbon reduction based) (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.

TPIR 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 2.5% annual average growth, and the maximum target at 5% annual average growth).

The targets for the EBITDA margin condition were based on performance in 2027 with 25% of this part of the award vesting delivering 56% margin and 100% vesting for 58% or higher.

The ESG targets were based 5% on operational carbon reduction and 5% on embodied carbon with both measures requiring an 8% reduction for threshold vesting and a 14% reduction or more for full vesting. Towards the end of FY25, the Committee, with support from the Responsible Business Committee, considered the relevance of the embodied carbon measure in the context of the impact of planning delays to our direct development projects resulting from changes to the building safety regulations. The RBC and Remuneration Committee concluded that the embodied carbon targets (based on the intensity of carbon per square meter of development projects in design) were no longer appropriate. Therefore, the Committee agreed to reallocate the 5% embodied carbon weighting to the operational carbon measure for the December 2024 awards. The operational carbon metric covers Grainger's Scope 1-3 emissions associated with our buildings (emissions from communal electricity and gas consumption and customer emissions) and therefore remains appropriate and measurable. The same reallocation has also been taken for the 2023 awards which are due to vest in December 2026. This ensures the carbon metrics, weighting and targets remain appropriately challenging and relevant to Grainger's transition to net zero.

DBSP

The deferred bonus share plan (DBSP) awards relate to a 25% deferral of the FY24 annual bonus into Company shares and is based on a price of 228p, being the average share price for the three business days immediately preceding the award being made on 18 December 2024. 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 FY25.

Annual Report on Remuneration continued

6. Directors' shareholdings and share interests

Past share awards

		Awards granted	Maximum award Number	Awards vested Number[1]	Awards lapsed Number	Maximum outstanding awards at 30 Sep 2025 Number	Market price at date of vesting (p)	Vesting date
Helen Gordon	LTIP shares	16-Dec-21	325,665	145,637	180,028	–	226.5	15-Dec-24
	LTIP shares	12-Dec-22	417,297	–	–	417,297	–	11-Dec-25
	LTIP shares	11-Dec-23	423,954	–	–	423,954	–	10-Dec-26
	LTIP shares[2]	18-Dec-24	515,032	–	–	515,032	–	17-Dec-27
	DBSP	16-Dec-21	38,238	38,238	–	–	226.5	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
	DBSP	18-Dec-24	88,673	–	–	88,673	–	17-Dec-27
Rob Hudson	LTIP shares	16-Dec-21	233,045	104,218	128,827	–	226.5	15-Dec-24
	LTIP shares	12-Dec-22	298,616	–	–	298,616	–	11-Dec-25
	LTIP shares	11-Dec-23	292,183	–	–	292,183	–	10-Dec-26
	LTIP shares[2]	18-Dec-24	351,575	–	–	351,575	–	17-Dec-27
	DBSP	16-Dec-21	2,233	2,233	–	–	226.5	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
	DBSP	18-Dec-24	69,336	–	–	69,336	–	17-Dec-27

1. 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.
2. Details of the December 2024 LTIP awards are set out in Note 4 (Share awards granted during the year) above.

The December 2023 LTIP awards include a PRS secured investment measure for 30% of the total award. Following the Board's decision during 2025 to focus on deleveraging, the Committee has reflected this in the targets to ensure the targets are appropriately aligned with the change in strategic direction for the remainder of the 3-year performance period.

All-employee share options under SAYE

			Granted in year		Lapsed during year	Exercised during year							
		Share options at 1 Oct 2024	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 2025	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	10,606	203.0	14,778	–	–	–	–	10,606	173.0	01-Sep-28	01-Mar-29

The closing trade share price on 30 September 2025 was 194p. The highest trade share price during the year was 249p and the lowest was 179p.

All-employee share awards under the SIP

	Ordinary shares of 5p each	
	30 Sept 2024 shares	30 Sept 2025[1] shares
Executive Directors		
Helen Gordon	11,786	13,452
Rob Hudson	2,922	4,588

1. Since 30 September 2025, Helen Gordon and Rob Hudson acquired shares in the Company through the Grainger Employee Share Incentive Scheme (320 ordinary 5p shares each).

Shareholding at 30 September 2025

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.

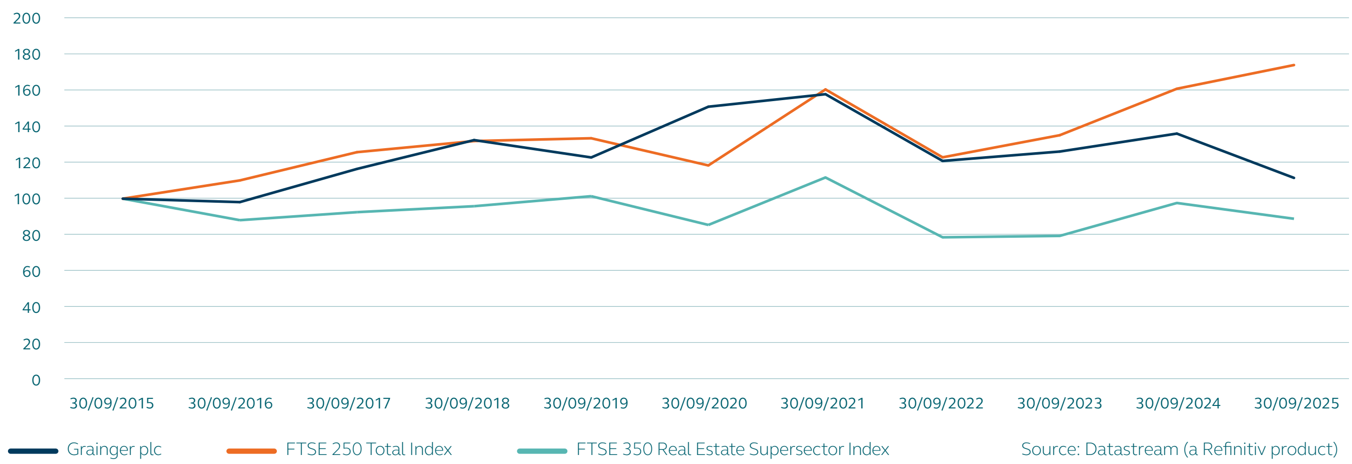
	Owned shares at 30 Sep 2025[1]	Vested but unexercised share awards	Unvested share awards	Total interests held at 30 Sep 2025[2]	Total interests held at 30 Sep 2024	Shareholding as % of basic salary[3]
Executive Directors						
Helen Gordon	812,381	256,903	1,587,409	2,656,693	2,399,474	300.8
Rob Hudson	260,095	190,561	1,110,164	1,560,820	1,374,373	146.8
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 2025 when the share price was 194p) 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 2022 LTIP due to vest in December 2025 (for which performance has already been tested) were to be included, the value of shares held (on a post-tax basis) would rise to 386.4% of basic salary in the case of Helen Gordon and 225.8% 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 2025 of £100 invested in Grainger plc on 30 September 2015 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 %
2025	Helen Gordon[1]	1,963	81	67
2024	Helen Gordon[1]	1,826	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	–	–

1. The total remuneration and long-term incentive vesting figures for 2025 are estimated.
2. The total remuneration for 2024 was restated following the update to the 2024 single 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.

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 is set out in the table below.

	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 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	6.0%	–	5.0%	5.0%	N/A	5.0%	5.0%	N/A	5.0%	5.0%	5.2%
Taxable benefits	0.5%	–	5.0%	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%
Percentage change 2024-2025											
Base salary	**3.5%**	**–**	**3.5%**	**3.5%**	**N/A**	**3.5%**	**3.5%**	**3.5%**	**3.5%**	**3.5%**	**3.6%**
Taxable benefits	**25.6%**	**–**	**4.0%**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**14.2%**
Annual bonus	**(14.4)%**	**–**	**(14.6)%**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**(10.2)%**

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 & Risk 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 FY25 single total figure of remuneration for the CEO as shown in Note 1 on page 110 with the Group's employees paid at the 25th, 50th and 75th percentiles:

Financial year	Method	25th percentile	50th percentile (median)	75th percentile
2025	**A**	**56:1** **Total pay and benefits £34,761** **Salary £32,671**	**36:1** **Total pay and benefits £54,052** **Salary £31,103**	**23:1** **Total pay and benefits £85,410** **Salary £69,357**
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

Our calculations were made on 14 November 2025 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 2025, 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 2024 and 2025 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	Dividend	Total employee pay
£102.6m	£61.5m	£34.4m
+153%	+10%	+7%
(2024: £40.6m)	(2024: £55.8m)	(2024: £32.1m)

12. Statement of implementation of Remuneration Policy for 2026

Base salary

Executive Director base salaries will be increased by 3% effective 1 January 2026, aligned with the increase for the general workforce. The CEO's salary will be £630,036 and the CFO's will be £491,520.

Pension

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

Annual bonus

Subject to Shareholder approval of the new Policy at the 2026 AGM, the annual bonus potential will continue to be capped at 150% of salary. The table below sets out the performance measures and their respective weightings for 2025:

Metric	Weighting	Rationale and description
EPRA Earnings	40%	EPRA earnings will be largely driven by Net Rental Income growth and is a key performance indicator for Grainger post REIT conversion.
Asset Recycling	30%	Given that EPRA Earnings will exclude profits from the property sales, an asset recycling metric will operate to incentivise the sale of the remainder of our low yielding regulated tenancy properties, portfolios and land to reinvest the capital into our BTR pipeline and new higher-yielding BTR opportunities.
Strategic and Operational objectives	22%	Specific objectives relating to Customer Satisfaction, Business Resilience, 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 2026 Annual Report.
Sustainability/ESG	8%	Incentivises delivery of Grainger's corporate strategy and commitments in respect of Community, Environment, Governance and People (including H&S).

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

Annual Report on Remuneration continued

LTIP

It is intended that the LTIP awards to be made to the Executive Directors in December 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 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%
Absolute TAR	30%	TAR is based on growth over the 3-year period to 30 September 2028.		
		Performance level	Absolute TAR growth	Vesting (of this part of an award)
		Below threshold	Below 4% p.a.	0%
		Threshold	4% p.a.	25%
		Maximum	8% p.a.	100%
EBITDA Margin[1]	30%	Based on the EBITDA Margin delivered in FY28.		
		Performance level	EBITDA Margin	Vesting (of this part of an award)
		Below threshold	Below 58%	0%
		Threshold	58%	25%
		Maximum	60%	100%
Sustainability/ESG – Carbon[2]	10%	(i) Scope 1 and 2 emissions (5% weighting) whereby 25% of this part of the award will vest for a 28% reduction in absolute Scope 1 and 2 emissions by 2028 (from a FY23 baseline) increasing pro-rata to 100% vesting for a 32% reduction; and (ii) Scope 3 emissions (5% weighting) whereby 25% of this part of the award will vest for a 35% reduction in Scope 3 emissions from capital goods and downstream leased assets per m^2 residential GIA by 2028 (from a FY23 baseline) increasing pro-rata to 100% vesting for a 39% reduction.		

1. EBITDA Margin is defined as earnings before interest, depreciation, amortisation and tax, excluding liquidated and ascertained damages, divided by Revenue.
2. The 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.

13. Non-Executive Directors' fees

The Non-Executive Directors' (NED) fee levels will be increased in line with the typical employee population increase by 3% with effect from 1 January 2026. Current fee levels and those which will apply from 1 January 2026 are as follows:

Executive Director	1 January 2026	1 January 2025
Basic Non-Executive Director fee	**£59,179**	£57,455
Additional fee for chairing Board committee	**£11,962**	£11,614
Additional fee for Senior Independent Director duties	**£10,072**	£9,779
Chairman's fee	**£236,900**	£230,000

Simon Fraser joined the Board as Chair Designate on 1 October 2025 and has received the basic Non-Executive Director fee from this date. It is intended that Simon will take on the role of Chair with effect from the close of the 2026 AGM and his fee will be £250,000. The Committee has agreed this fee level based on the likely level of time commitment involved in the role and following a review of Chair fee rates in the market.

14. 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	Contract commencement date	Notice period
Mark Clare	13 February 2017	3 months
Simon Fraser	1 October 2025	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

15. Remuneration Committee Governance Arrangements

Key responsibilities

The key responsibilities of the Committee include:

- Setting the remuneration frameworks for Directors, Executives and the Board Chair.
- Designing policies that link pay to long-term strategy and sustainable success.
- Overseeing employee pay arrangements and benefit structures.
- Approving performance-related pay schemes with stretching targets.
- Reviewing share plans and determining awards.
- Setting pension policies for executives.
- Ensuring fair termination terms.
- Reviewing remuneration policies for appropriateness.
- Ensuring compliance with governance codes and disclosure requirements.
- Appointing remuneration consultants and obtaining market information.

Terms of reference

The Committee's terms of reference are reviewed each year and recommended to the Board for approval. We assessed our compliance with our terms of reference during the year and we also updated our terms of reference to take into account the requirements of the new Code which applies to Grainger from 1 October 2025. We confirmed that the Committee had complied with our terms of reference during the year. The Committee terms of reference are published on our website (corporate.graingerplc.co.uk).

Meetings

The Committee's main work follows a structured programme of activity agreed at the start of the year. Attendance at the meetings is set out at the beginning of this section of the Report.

Invitations to attend meetings

The CEO, 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. The Company Secretary acts as secretary to the Committee.

Remuneration Committee Advisors, 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 during FY25 were £59,000 (2024: £48,000). The fees for 2025 are higher than the previous year and this reflects the work connected to the Policy review and Shareholder consultation. 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.

16. Statement of voting at general meeting

The votes received from Shareholders in respect of the Directors' Remuneration Report for FY24 (2025 AGM) and the 2023 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	583,563,592	96.40	599,740,550	95.06
Against	21,796,786	3.60	31,191,167	4.94
Total votes cast (for and against)	**605,360,378**	**–**	**630,931,717**	**100**
Votes withheld	11,146,577	–	3,667	

NB Votes withheld are not counted.

The Directors' Remuneration Report is approved by and signed on behalf of the Board of Directors.

Janette Bell
Chair of the Remuneration Committee

19 November 2025

Directors' Report

Grainger plc is a public limited company incorporated in England and Wales under the Companies Act 2006 with registered number 00125575.

The Directors present this Report, which includes the consolidated financial statements for FY25. For the purposes of DTR 4.1.8R, the Strategic Report on pages 1 to 70 is also the Management Report for FY25.

The Report of the Directors' comprises the Governance Report (pages 71 to 123), and includes this Directors Report and the Shareholder Information section (page 185). Related information can also be found in our Sustainability Report and the Governance Report which includes the Committee reports.

The Companies Act 2006 requires us to prepare a Strategic Report and this is included at pages 1 to 70. As permitted by Section 414C(11) of the Companies Act 2006, some matters required to be included in the Directors' Report have instead been included in the Strategic Report and are incorporated by reference in this Directors' Report. The Strategic Report provides information on the Group's operations and the business model.

The following information required to be included in the Directors' Report is provided in other sections of the Report and is incorporated into this Directors' Report by reference in the table below:

Information	Pages
Principal activities during the year	5 to 8
Review of business performance	31 to 35
Likely future developments affecting the Company	35
Statement of directors' responsibilities regarding financial statements	122
Employee engagement initiatives	94
Section 172 statement and engagement with Shareholders, suppliers, customers and other stakeholders	80
Greenhouse gas (GHG) emissions and energy efficiency (SECR)	48 to 52
Financial instruments	159 to 165

Going concern

The Directors consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements. The Directors' going concern assessment is discussed in Note 1 of the financial statements.

Directors

Details of the Directors can be found on page 74 and 75. The Governance Report also includes details about our governance arrangements, including appointments to the Board.

Directors' interests in significant contracts

No Directors were materially interested in any contract of significance.

Directors' indemnities and insurance

The Company has in place contractual entitlements for the Directors of the Company and its subsidiaries to claim indemnification by the Company for certain liabilities they might incur in the course of their duties. We have established these arrangements, which constitute qualifying third-party indemnity provision and qualifying pension scheme indemnity provision, in compliance with the relevant provisions of the Companies Act 2006. They include provision for the Company to fund the costs incurred by Directors in defending certain claims against them in relation to their duties. The Company also maintains an appropriate level of Directors' & Officers' liability insurance.

Employee reporting

Employee reporting as required by the Companies Act is set out below.

Employee numbers

The total number of employees as at the end of FY25 was 372 and the average monthly number of employees for the year was 370. The Sustainability Report (page 40) contains details including gender and ethnicity data at the end of FY25. See also note 10 of the financial statements for average monthly employee reporting.

Employment of disabled persons

The Group gives full and fair consideration to applications for employment made by disabled persons, including those with hidden disabilities and neurodiversity, having regard to their particular aptitudes and abilities. In the event of a colleague becoming disabled, every effort is made to ensure their employment within the Group continues, and that we arrange appropriate training where necessary. It is Company policy that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee engagement

The Group places considerable value on the engagement with colleagues and has continued its practice of keeping them informed on and involved in business and strategic matters, for example through colleague surveys, meetings with the Board, team meetings, presentations by senior management and regular all-colleague conference calls hosted by the Executive Directors. The Responsible Business Committee, chaired by Carol Hui who is also the designated Non-Executive Director for workforce engagement, has responsibility for monitoring our colleague engagement and the Voice of the Colleague engagements. For more information on our people and the activities of the Responsible Business Committee, see pages 37 (Sustainability) and 92 (Responsible Business Committee Report).

Share capital

Details of the Company's share capital are included in note 29 of the financial statements. During the year shares are allotted to satisfy SAYE exercises. No repurchase of shares took place.

Political donations

While we do not make any monetary contributions to political campaigns or organisations, or other tax exempt groups we may from time to time engage the services of lobbying organisations in relation to a specific issue. We may also join trade associations which may be involved in political or lobbying activities. We do not consider that these activities amount to engagement in, or contribution to, political activities. Therefore, in accordance with the Company's standard approach, we made no political donations in FY25 (FY24: £nil).

Takeover directive

On a change of control, the main bank facilities (included in Note 26 to the financial statements) will become repayable should alternative terms for continuing the facilities not be agreed with the lenders within 45 days. In addition, the corporate bonds (also referred to in Note 26) may become repayable following a change of control. There are no other material matters relating to a change of control of the Company following a takeover bid.

AGM

The AGM is scheduled for 4 February 2026 and the Notice of AGM will be issued in December 2025. We will announce its publication and make it available on our website as well as file a copy with the National Storage Mechanism.

Substantial Shareholders

Details of the interests disclosed to the Company at the end of FY25 and at 18 November 2025 (being the latest practicable date prior to the date of this Report) is set out at page 82. The information is reported in accordance with DTR 5 and as required by LR 6.6.6. The table details interests with voting rights (direct and indirect) amounting to 3% or more and the data included is derived from analysts' reports and replies received from Shareholders.

The Directors' Report has been approved by and is signed on behalf of the Board of Directors.

Sapna FitzGerald
Company Secretary

19 November 2025

Disclosures required by UK LR 6.6.1(1) to (13)R:

Listing Rule	Information required	Disclosure
(1)	Interest capitalised by Group	Refer to note 12 in the financial statements
(2)	Unaudited financial information (LR 9.2.18R)	None
(3)	Long-term incentive schemes information relating to Board Directors (LR 9.3.3R)	Directors' Remuneration Report (page 112)
(4)	Waiver of emoluments by a Director	None
(5)	Waiver of future emoluments by a Director	None
(6)	Non pre-emptive issues of equity for cash	None
(7)	Non pre-emptive issues of equity for cash in relation to a major subsidiary undertaking	None
(8)	Listed company is a subsidiary of another company	Not applicable
(9)	Contracts of significance involving a Director of a controlling shareholder	None
(10)	Contracts for the provision of services by a controlling shareholder	None
(11)	Shareholder waiver of dividends	None
(12)	Shareholder waiver of future dividends	None
(13)	Agreement with controlling Shareholder	Not applicable

Statement of Directors' responsibilities in respect of the Annual Report and Accounts 2025

The Directors are responsible for preparing the Annual Report and Accounts 2025 including the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards (IFRS) and applicable law and have elected to prepare the parent Company financial statements in accordance with UK accounting standards and applicable law, including FRS 101 Reduced Disclosure Framework.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of the Group's profit or loss for that period. In preparing each of the Group and parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, reliable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with UK-adopted international accounting standards (IFRS);
- for the parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the parent Company financial statements;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Company is required to include these financial statements in an annual financial report prepared under Disclosure Guidance and Transparency Rule 4.1.17R and 4.1.18R. The auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

Directors' declaration in relation to the relevant audit information

The Directors who were on the Board during the year under review each confirm that to the best of their knowledge::

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the Strategic report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Directors' responsibility statement

The Directors consider this Report taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Group's position and performance, business model and strategy. Independent auditor and disclosure of information to auditor In accordance with section 418 of the Companies Act 2006, each Director confirms that: (a) in so as far he/she is aware, there is no relevant audit information of which the Company's auditor is unaware; and (b) each Director has taken the steps they ought to have taken as Directors, to make themselves aware of any relevant audit information, and to establish that the Company's auditor is aware of that information.

The Statement has been approved by and is signed on behalf of the Board of Directors.

Sapna FitzGerald
Company Secretary

19 November 2025

Alternative performance measures
For FY25

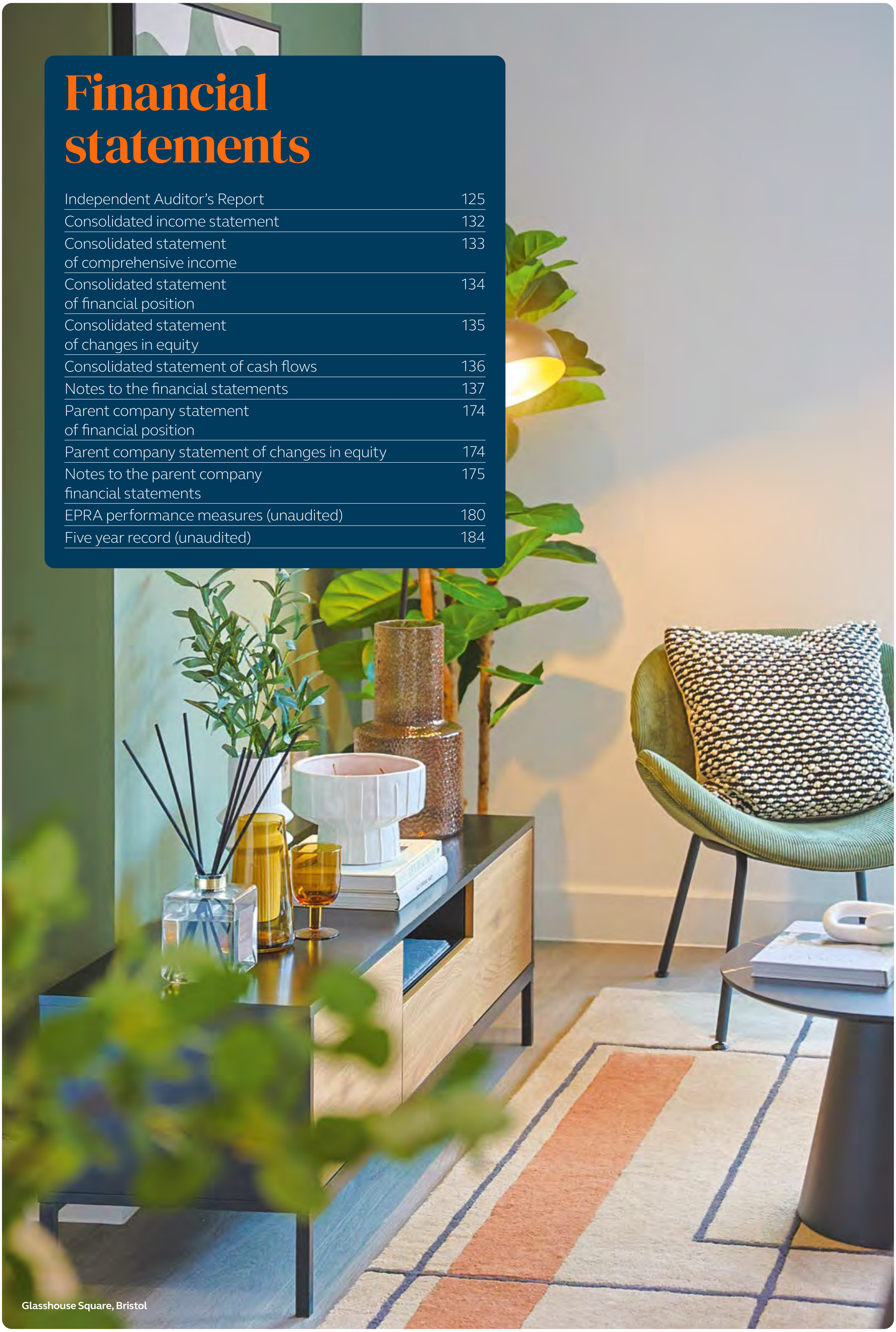
Performance measure	Definition
Loan to Value (LTV)	Ratio of net debt to the market value of properties and property related assets. This is a key metric for the Group as part of measuring gearing at both an overall Group and individual facility level, linked to both our risk appetite and individual facility covenants.

	2025 £m	2024 £m
Gross debt	**1,590.1**	1,592.9
Cash	**(85.8)**	(93.2)
Restricted deposits	**(57.7)**	(63.3)
Less restricted client cash	**16.9**	16.4
Net debt	**1,463.5**	1,452.8
Market value of properties	**3,665.3**	3,648.4
Investment in associates	**15.2**	14.9
Investment in joint ventures	**77.5**	76.4
Financial interest in property assets	**48.6**	57.4
Treasury shares	**2.9**	3.8
Total market value of properties and property related assets	**3,809.5**	3,800.9
LTV	**38.4%**	38.2%

Performance measure	Definition
Total Property Return (TPR)	A performance measure which represents the change in gross asset value, net of capital expenditure incurred, plus property related net income, expressed as a percentage of opening gross asset value. This is a key metric for the Group in measuring the overall performance of property returns on the Group's property assets, with LTIP conditions linked to the performance of this metric as outlined in the Directors' Remuneration report.

	2025 £m	2024 £m
Net rental income	**123.6**	110.1
Liquidated and ascertained damages 'LADs'	**3.6**	5.2
Profit on disposal of trading property	**38.9**	49.4
Previously recognised profit through EPRA market value measures	**(42.4)**	(54.2)
Profit on disposal of investment property	**(1.6)**	(5.8)
Income from financial interest in property assets	**1.1**	(1.3)
Net valuation gains/(losses) on investment property	**29.5**	(32.5)
Net valuation (losses)/gains on trading property	**(3.8)**	0.6
Property return	**148.9**	71.5
Investment property – opening balance	**3,028.3**	2,948.9
Financial interest in property assets – opening balance	**57.4**	67.0
Inventories – trading property – opening balance	**620.1**	734.3
Total opening gross assets	**3,705.8**	3,750.2
TPR	**3.9%**	1.9%

Financial statements



Glasshouse Square, Bristol

Independent auditor's report to the members of Grainger plc

1. Our opinion is unmodified

We have audited the financial statements of Grainger plc ("the Company") for the year ended 30 September 2025 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Parent Company Statement of Financial Position and Statement of Changes in Equity, and the related notes, including the accounting policies in Note 1 of both the Group (Page 137 to 139) and Parent Company financial statements (Page 175 to 176).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 September 2025 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the Audit and Risk Committee.

We were first appointed as auditor by the shareholders on 5 February 2015. The period of total uninterrupted engagement is for the 11 financial years ended 30 September 2025. We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matters, in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

	The risk	Our response
Valuation of properties Investment properties, including held for sale assets held at fair value: (£3,124.3m; 2024: £3,028.3m). Refer to page 95 (Audit & Risk Committee Report), pages 139–142 (critical accounting estimates and judgements) and page 152 (accounting policies and financial disclosures).	**Subjective valuation of investment properties, including held for sale assets:** The valuation approach adopted by the directors varies between portfolios: – For properties let into the private rental market, and affordable housing properties, the valuation is derived by applying a gross initial yield to the estimated rental value of the property. Yield is based on market evidence and is an inherently judgemental input. There is a risk that applying an inappropriate yield could lead to a material difference in the valuation. Where relevant, valuations are reduced to reflect the estimated costs of planned remedial works relating to fire safety. There is a risk that not all works are identified or that cost estimates are insufficient. – For properties under construction which are to be let into the private rental market, a consistent valuation methodology to the one mentioned above, is adopted. Additional adjustments are then made for capital expenditure not yet incurred, and development and stabilisation risk. There is an additional risk that these adjustments could be inappropriate and result in a material difference in the valuation.	We performed the tests below rather than seeking to rely on any of the Group's controls because the nature of the balances are such that we would expect to obtain audit evidence primarily through the detailed procedures described. Our procedures in respect of all property types identified included: – **Methodologies:** we have challenged the methodologies used for the specific portfolios with reference to market practice, with the assistance of our property valuation specialists. – **Sensitivity analysis:** we have performed sensitivity analysis over the key assumptions and considered the outcomes with reference to benchmarks. – **Assessing valuers' credentials:** we assessed the objectivity, professional qualifications, independence and experience of the external valuers engaged by the Group, through research, discussion with them and by reading their valuation reports and terms of engagement letter for fee arrangements and other incentive terms. – **Attendance at Group valuation meetings:** we attended the Group's meetings with their external valuers and challenged the market evidence presented by the valuers with the help of our own property valuation specialists. – **Historical comparisons:** we compared the 2024 year end valuation with the sales price achieved for property sales in the current year. – **Assessing transparency:** we assessed whether the Group's disclosure about the sensitivity of fair value changes in key assumptions reflected the uncertainties inherent in the investment property valuations.

Independent auditor's report to the members of Grainger plc continued

	The risk	Our response
	– For individual properties, the valuation is determined by estimating a vacant possession (VP) value and applying a discount to reflect the fact that the property is tenanted. The VP value and the discount applied are estimated with reference to evidence from comparable property sales, which in some cases may be limited. This means the valuation is inherently subjective and susceptible to misstatement. – For the Tricomm portfolio and shared ownership affordable housing, the valuation is based on a discounted cash flow model produced by an external valuer. There is a risk that the house price inflation (HPI) and discount rate assumptions could be inappropriate which could lead to a material misstatement in valuation. – The effect of these matters is that, as part of our risk assessment, we determined that the valuation of investment properties held at fair value has a high degree of estimation uncertainty, with a potential range of outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount. The financial statements note 2 disclose the sensitivity estimated by the Group. – We continue to perform procedures over Valuation of Trading Properties. However, given the declining volume of trading property holdings and the consistently immaterial nature of the net realisable value ('NRV') provision we have not assessed this area as one of the most significant risks in the current year audit. Accordingly, it has not been separately identified as a key audit matter in our audit report this year.	Our additional procedures in respect of private rental sector properties and affordable housing properties included: – **Yield rates:** we have challenged the yield rates applied using our understanding of the assets and compared to available market data, with the assistance of our property valuation specialists. – **Fire safety works:** we assessed the completeness of the list of properties requiring remedial works with reference to the Group's records supporting compliance with the Building Safety Act, including inspecting fire risk assessment reports. We inspected correspondence with third parties in respect of responsibility for the costs of remedial works and compared remediation cost adjustments to third party evidence, including tenders received. Our additional procedures in respect of properties under construction which are to be let into the private rental market, included: – **Test of details:** for a sample of properties, we agreed the adjustments made for capital expenditure not yet incurred to the latest third party supplier funding assessment. – **Our valuation expertise:** using our property valuation specialists, we critically assessed the adjustments made for development and stabilisation risk with reference to sector practice. Our additional procedures in respect of individual properties included: – **Comparing valuations:** we challenged the inputs used in valuations and compared valuations to recent comparable transactions. Our additional procedures in respect of the Tricomm portfolio and the shared ownership affordable housing properties included: – **Benchmarking assumptions:** we compared the Housing Price Index assumption included in the discounted cash flow model to market indices and discount rates to market information including gilts and benchmarked risk premiums. **Our Results** – We found the valuation of investment properties held at fair value in Note 16 to be acceptable (2024: acceptable).
Recoverability of Parent company's investment in subsidiaries Investment in subsidiaries: (£2,567.2m; 2024: £2,594.0m Net impairment of investment in subsidiaries: (£31.9m; 2024: £224.7m) Refer to page 175 (critical accounting estimates and judgements) and page 176 (accounting policies and financial disclosures).	**Low risk, high value** The carrying amount of the parent Company's investments in subsidiaries represents 94% (2024: 95%) of the parent Company's total assets. Their recoverability is not at a high risk of material misstatement or subject to significant judgement. However, due to their materiality in the context of the parent Company financial statements, this is considered to be the area that had the greatest effect on our overall parent Company audit.	We performed the tests below rather than seeking to rely on any of the parent Company's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. Our procedures included: – **Tests of detail:** We compare the carrying amount of 100% of investments with the relevant subsidiaries' draft balance sheet as of 30 September 2025 to identify whether their net assets, being an approximation of their minimum recoverable amount, were in excess of their carrying amount and assessing whether those subsidiaries have historically been profit-making. – **Assessing subsidiary balances:** Considering the results of our work on all of those subsidiaries' profits and net assets. **Our results:** We found the parent company's investment in subsidiaries balance, and the related net impairment recognised, to be acceptable (2024: acceptable).

3. Our application of materiality and an overview of the scope of our audit

Materiality for the Group financial statements as a whole was set at £35.0m (2024: £34.0m), determined with reference to a benchmark of Group total assets of which it represents 0.95% (2024: 0.93%).

Materiality for the parent Company financial statements as a whole was set at £30.0m (2024: £30.0m), determined with reference to a benchmark of Company net assets, of which it represents 1.62% (2024: 1.62%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality was set at 75% (2024: 75%) of materiality for the financial statements as a whole, which equates to £26.2m (2024: £25.5m) for the Group and £22.5m (2024: £22.5m) for the parent Company. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We agreed to report to the Audit and Risk Committee any corrected or uncorrected identified misstatements exceeding £1.75m (2024: £1.70m), in addition to other identified misstatements that warranted reporting on qualitative grounds.

In addition, we applied materiality of £3.9m (2024: £3.5m) and performance materiality of £2.9m (2024: £2.6m) to specific relevant Group income statement balances, namely net rental income, profit on disposal of investment property, profit on disposal of trading property, finance costs, fees and other income, for which we believe misstatements of lesser amounts than materiality for the financial statements as a whole could be reasonably expected to influence the primary users' assessment of the financial performance of the Group. In relation to these balances, we agreed to report to the Audit and Risk Committee any corrected or uncorrected identified misstatements exceeding £0.19m (2024: £0.17m), in addition to other identified misstatements that warranted reporting on qualitative grounds.

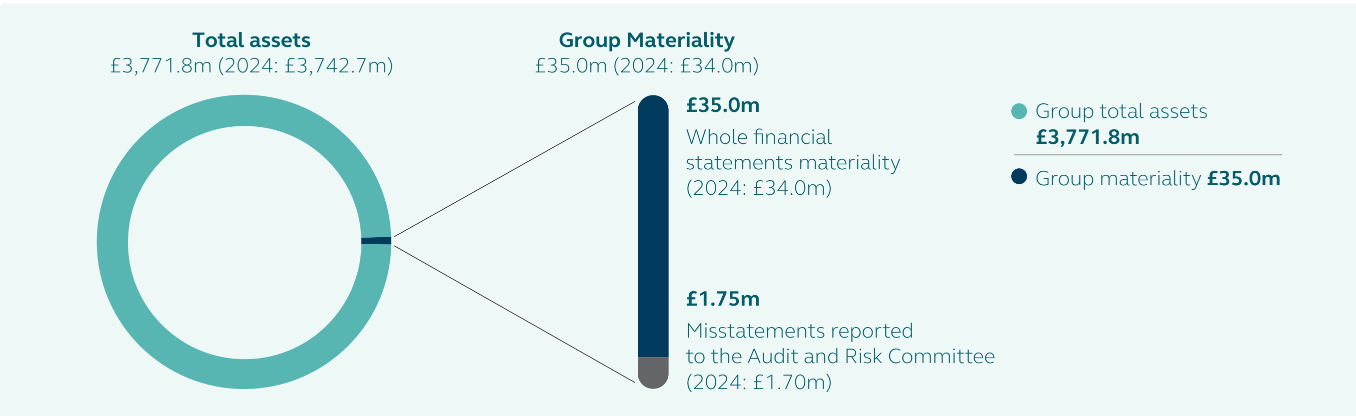
The Group team performed the audit of the Group as if it were a single aggregated set of financial information. The Group team performed the Parent Company audit. The audit was performed using the materiality levels set out above.

Impact of controls on our group audit

We identified the main finance IT system used by the Group as pertinent to our audit. Our IT auditors assisted us in gaining an understanding of this system.

We did not plan to rely on any of the Group's automated or manual controls in any areas of our audit and instead took a fully substantive approach. This approach was adopted after considering the efficiency and effectiveness of approaches to obtain the appropriate audit evidence. Given we did not rely on controls, a direct testing approach was used over the completeness and reliability of data used in auditing key areas such as certain inputs into the valuation of properties.

In line with previous audits, we identified a control deficiency in relation to manual journal entries that are not subject to approval prior to entry in the system. We responded by adjusting our audit approach to manual journal entries, increasing the extent of our direct testing of the completeness and reliability of system information used in our audit of journal entries.



The scope of the audit work performed was predominately substantive as we placed limited reliance upon the Group's internal control over financial reporting.

Independent auditor's report to the members of Grainger plc continued

4. The impact of climate change on our audit

In planning our audit, we have considered the potential impacts of climate change on the Group's business and its financial statements. Climate change impacts the Group in a number of ways: through its own operations (including potential reputational risk associated with the Group's delivery of its climate related initiatives), through its portfolio of properties and the greater emphasis on climate related narrative and disclosure in the Annual Report. The Group's main potential exposure to climate change in the financial statements is primarily through the carrying value of its properties as the estimated valuation may need to be adjusted to the impact of climate transition risk related factors.

As part of our audit, we have made enquiries of directors and the Group's Corporate Sustainability team to understand the extent of the potential impact of climate change risk on the Group's financial statements and the Group's preparedness for this. We have performed a risk assessment of how the impact of climate change may affect the financial statements and our audit, in particular with respect to the valuation of properties. Given that these valuations are largely based on comparable market evidence we assessed that the impact of climate change was not a significant risk for our audit, nor does it constitute a key audit matter. We held discussions with our own climate change professionals to challenge our risk assessment.

We have also read the Group's disclosure of climate related information in the front half of the Annual Report as set out on pages 36 to 60, and considered consistency with the financial statements and our audit knowledge. We have not been engaged to provide assurance over the accuracy of these disclosures.

5. Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group's and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we used our knowledge of the Group, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group and Parent Company's financial resources or ability to continue operations over the going concern period.

The risks that we considered most likely to adversely affect the Group and parent Company's available financial resources over this period were:

- Macroeconomic pressures (energy costs, inflation, interest rates) may reduce demand in the private rental sector, leading to reduced rental levels.
- A downturn in the property market could lead to reduced sales activity.
- Declining property valuations may increase LTV ratios and reduce covenant headroom.
- Sustained cost inflation and elevated interest rates may impact development viability.
- Changes in fiscal policy could adversely affect property market conditions.

We considered whether these risks could plausibly affect the liquidity or covenant compliance in the going concern period by comparing severe, but plausible downside scenarios that could arise from these risks individually and collectively against the level of available financial resources and covenants thresholds indicated by the Group's financial forecasts.

We also assessed the completeness of the going concern disclosure.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Company's ability to continue as a going concern for the going concern period;
- we have nothing material to add or draw attention to in relation to the directors' statement in note 1 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Company's use of that basis for the going concern period, and we found the going concern disclosure in note 1 to be acceptable; and
- the related statement under the UK Listing Rules is materially consistent with the financial statements and our audit knowledge.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

6. Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and the Audit and Risk Committee, as to the Group's high-level policies and procedures to prevent and detect fraud, including the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Reading Board minutes and attending Group Audit and Risk Committee meetings;
- Considering remuneration incentive schemes and performance targets for directors and management including the adjusted earnings and total property return targets; and
- Using analytical procedure to identify any unusual or unexpected relationships.
- Involvement of forensic specialists in the process of identifying potential fraud risks.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular:

- the risk that disposals of trading property are recorded in the wrong accounting period;
- the risk that Group management may be in a position to make inappropriate accounting entries; and
- the risk of bias in accounting estimates and judgements such as significant assumptions used in the valuation of investment properties, including estimated rental values and market based yields.

On this audit we do not believe there is a fraud risk related to revenue recognition, other than to the sales made close to the year end as these could be recorded in the incorrect period, because of the relative simplicity of revenue streams. We did not identify any additional fraud risks.

We also performed procedures including:

- Identifying journal entries to test using data analytical tools based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual account combinations and those posted by senior finance management; and
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.
- Assessing whether sales close to year- have been recorded in the correct accounting period based on supporting documentation.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards), and from inspection of the Group's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies' legislation), distributable profits legislation, taxation legislation and REIT legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws, anti-bribery, environmental and sustainability legislation, landlord and tenant legislation, fire safety legislation, property laws and building legislations, social housing regulation and certain aspects of company legislation recognising the nature of the Group's activities and its legal form.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Independent auditor's report to the members of Grainger plc continued

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

7. We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic Report and Directors' Report

Based solely on our work on the other information:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Directors' Remuneration Report

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Disclosures of emerging and principal risks and longer-term viability

We are required to perform procedures to identify whether there is a material inconsistency between the directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

- the directors' confirmation within the Viability Statement on page 70 that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the Principal Risks and uncertainties disclosures describing these risks and how emerging risks are identified, and explaining how they are being managed and mitigated; and
- the directors' explanation in the Viability Statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the Viability Statement, set out on page 70 under the UK Listing Rules. Based on the above procedures, we have concluded that the above disclosures are materially consistent with the financial statements and our audit knowledge.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and Company's longer-term viability.

Corporate governance disclosures

We are required to perform procedures to identify whether there is a material inconsistency between the directors' corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

- the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy;
- the section of the annual report describing the work of the Audit and Risk Committee, including the significant issues that the Audit and Risk Committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the annual report that describes the review of the effectiveness of the Group's risk management and internal control systems.

We are required to review the part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified by the UK Listing Rules for our review. We have nothing to report in this respect.

8. We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

9. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 122, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The Company is required to include these financial statements in an annual financial report prepared under Disclosure Guidance and Transparency Rule 4.1.17R and 4.1.18R. This auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

10. The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Craig Steven-Jennings (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square,
Canary Wharf,
London,
E14 5GL
19 November 2025

Consolidated income statement
For the year ended 30 September

	Notes	2025 £m	2024 £m
Group revenue	5	**262.7**	290.1
Net rental income	6	**123.6**	110.1
Profit on disposal of trading property	7	**38.9**	49.4
Loss on disposal of investment property	8	**(1.6)**	(5.8)
Gain/(loss) from financial interest in property assets	20	**1.1**	(1.3)
Fees and other income	9	**6.1**	8.1
Administrative expenses		**(36.7)**	(35.3)
Other expenses		**(4.0)**	(6.0)
Reversal of impairment/(impairment) of inventories to net realisable value	22	**0.6**	(0.1)
Operating profit		**128.0**	119.1
Net valuation gains/(losses) on investment property	16	**29.5**	(32.5)
Hedge ineffectiveness under IFRS 9		**(8.5)**	(6.6)
Finance costs	12	**(45.4)**	(41.8)
Finance income	12	**2.7**	3.0
Share of profit/(loss) of associates after tax	18	**0.6**	(0.4)
Share of loss of joint ventures after tax	19	**(4.3)**	(0.2)
Profit before tax	11	**102.6**	40.6
Tax charge	13	**(23.6)**	(9.4)
Tax credit arising from REIT conversion	13	**123.6**	–
Profit for the year attributable to the Shareholders of the Company		**202.6**	31.2
Basic earnings per share	15	**27.4p**	4.2p
Diluted earnings per share	15	**27.3p**	4.2p

The notes on pages 137 to 173 form part of the financial statements.

Consolidated statement of comprehensive income
For the year ended 30 September

	Notes	2025 £m	2024 £m
Profit for the year	3	**202.6**	31.2
Items that will not be transferred to the consolidated income statement:			
Remeasurement of BPT Limited defined benefit pension scheme	28	**(0.3)**	(3.1)
Items that may be or are reclassified to the consolidated income statement:			
Changes in fair value of cash flow hedges		**(2.3)**	(20.8)
Other comprehensive expense for the year before tax		**(2.6)**	(23.9)
Tax relating to components of other comprehensive income:			
Tax relating to items that will not be transferred to the consolidated income statement	13	**0.1**	0.8
Tax relating to items that may be or are reclassified to the consolidated income statement	13	**0.6**	5.2
Total tax relating to components of other comprehensive income		**0.7**	6.0
Other comprehensive expense for the year after tax		**(1.9)**	(17.9)
Total comprehensive income for the year attributable to the Shareholders of the Company		**200.7**	13.3

The notes on pages 137 to 173 form part of the financial statements.

Consolidated statement of financial position
As at 30 September

	Notes	2025 £m	2024 £m
ASSETS			
Non-current assets			
Investment property	16	**3,059.4**	2,996.8
Property, plant and equipment	17	**9.2**	10.6
Investment in associates	18	**15.2**	14.9
Investment in joint ventures	19	**77.5**	76.4
Financial interest in property assets	20	**48.6**	57.4
Retirement benefits	28	**6.2**	6.5
Deferred tax assets	13	**4.6**	6.1
Intangible assets	21	**2.9**	1.8
		3,223.6	3,170.5
Current assets			
Inventories – trading property	22	**298.6**	331.6
Investment property – held for sale	16	**64.9**	31.5
Trade and other receivables	23	**79.2**	90.9
Derivative financial instruments	27	**14.1**	19.8
Current tax assets		**5.6**	5.2
Cash and cash equivalents	27	**85.8**	93.2
		548.2	572.2
Total assets		**3,771.8**	3,742.7
LIABILITIES			
Non-current liabilities			
Interest-bearing loans and borrowings	26	**1,515.1**	1,592.9
Trade and other payables	25	**5.7**	6.3
Provisions for other liabilities and charges	24	**0.7**	1.0
Deferred tax liabilities	13	**8.2**	121.5
		1,529.7	1,721.7
Current liabilities			
Interest-bearing loans and borrowings	26	**75.0**	–
Trade and other payables	25	**115.3**	114.1
Provisions for other liabilities and charges	24	**12.0**	13.2
		202.3	127.3
Total liabilities		**1,732.0**	1,849.0
NET ASSETS		**2,039.8**	1,893.7
EQUITY			
Issued share capital	29	**37.2**	37.2
Share premium account		**817.9**	817.9
Merger reserve	31	**20.1**	20.1
Capital redemption reserve		**0.3**	0.3
Cash flow hedge reserve	31	**2.7**	4.4
Retained earnings	32	**1,161.6**	1,013.8
TOTAL EQUITY		**2,039.8**	1,893.7

The financial statements on pages 132 to 173 were approved by the Board of Directors on 19 November 2025 and were signed on their behalf by:

Helen Gordon
Director

Rob Hudson
Director

Company registration number: 00125575

Consolidated statement of changes in equity

	Notes	Issued share capital £m	Share premium account £m	Merger reserve £m	Capital redemption reserve £m	Cash flow hedge reserve £m	Retained earnings £m	Total equity £m
Balance as at 1 October 2023		**37.2**	**817.8**	**20.1**	**0.3**	**20.0**	**1,033.2**	**1,928.6**
Profit for the year		–	–	–	–	–	31.2	31.2
Other comprehensive expense for the year		–	–	–	–	(15.6)	(2.3)	(17.9)
Total comprehensive income		–	–	–	–	(15.6)	28.9	13.3
Award of SAYE shares		–	0.1	–	–	–	–	0.1
Purchase of own shares		–	–	–	–	–	(0.1)	(0.1)
Share-based payments charge		–	–	–	–	–	2.8	2.8
Dividends paid		–	–	–	–	–	(51.0)	(51.0)
Total transactions with Shareholders recorded directly in equity		–	0.1	–	–	–	(48.3)	(48.2)
Balance as at 30 September 2024		**37.2**	**817.9**	**20.1**	**0.3**	**4.4**	**1,013.8**	**1,893.7**
Profit for the year	3	–	–	–	–	–	202.6	202.6
Other comprehensive expense for the year		–	–	–	–	(1.7)	(0.2)	(1.9)
Total comprehensive income		–	–	–	–	(1.7)	202.4	200.7
Purchase of own shares	29	–	–	–	–	–	(0.1)	(0.1)
Share-based payments charge	30	–	–	–	–	–	3.6	3.6
Dividends paid	14	–	–	–	–	–	(58.1)	(58.1)
Total transactions with Shareholders recorded directly in equity		–	–	–	–	–	(54.6)	(54.6)
Balance as at 30 September 2025		**37.2**	**817.9**	**20.1**	**0.3**	**2.7**	**1,161.6**	**2,039.8**

The notes on pages 137 to 173 form part of the financial statements.

Consolidated statement of cash flows
For the year ended 30 September

	Notes	2025 £m	2024 £m
Cash flow from operating activities			
Profit for the year		**202.6**	31.2
Depreciation and amortisation	11	**1.7**	1.5
Net valuation (gains)/losses on investment property	16	**(29.5)**	32.5
Net finance costs	12	**42.7**	38.8
Hedge ineffectiveness under IFRS 9		**8.5**	6.6
Share of loss of associates and joint ventures	18, 19	**3.7**	0.6
Loss on disposal of investment property	8	**1.6**	5.8
Share-based payments charge	30	**3.6**	2.8
Gain/(loss) from financial interest in property assets	20	**(1.1)**	1.3
Provisions for liabilities and charges	24	**1.6**	4.5
Tax (credit)/charge	13	**(100.0)**	9.4
Cash generated from operating activities before changes in working capital		**135.4**	135.0
Decrease/(increase) in trade and other receivables		**6.2**	(3.8)
Increase in trade and other payables		**12.9**	6.9
Decrease in inventories – trading property		**33.0**	60.6
Cash generated from operating activities		**187.5**	198.7
Interest paid		**(53.3)**	(52.6)
Interest received		**2.7**	3.0
Cash outflow from fire safety remediation work		**(3.1)**	–
Tax paid		**(11.4)**	(12.5)
Net cash inflow from operating activities		**122.4**	136.6
Cash flow from investing activities			
Proceeds from sale of investment property		**85.9**	90.2
Proceeds from financial interest in property assets	20	**9.9**	8.3
Dividends received from associates	18	**0.3**	0.5
Investment in joint ventures	19	**(3.7)**	–
Loans advanced to joint ventures	19	**(1.7)**	(1.4)
Acquisition of investment property	16	**(148.4)**	(261.0)
Acquisition of property, plant and equipment and intangible assets		**(1.4)**	(4.3)
Net cash outflow from investing activities		**(59.1)**	(167.7)
Cash flow from financing activities			
Award of SAYE shares	29	**–**	0.1
Purchase of own shares	29	**(0.1)**	(0.1)
Proceeds from new loans and borrowings		**186.0**	244.0
Payment of loan costs		**(2.3)**	(2.8)
Cash flows relating to new derivatives/settlement of derivatives		**(5.0)**	(1.9)
Repayment of loans and borrowings		**(191.2)**	(185.0)
Dividends paid	14	**(58.1)**	(51.0)
Net cash (outflow)/inflow from financing activities		**(70.7)**	3.3
Net decrease in cash and cash equivalents		**(7.4)**	(27.8)
Cash and cash equivalents at the beginning of the year	27	**93.2**	121.0
Cash and cash equivalents at the end of the year	27	**85.8**	93.2

The notes on pages 137 to 173 form part of the financial statements.

Notes to the financial statements

1. Accounting policies

Accounting policies applicable throughout the financial statements are shown below. Accounting policies that are specific to a component of the financial statements have been incorporated in the relevant note.

(a) Basis of preparation

Grainger plc is a company incorporated and domiciled in the UK. It is a public limited liability company listed on the London Stock Exchange. The Group financial statements consolidate those of the Company and its subsidiaries, together referred to as the 'Group', and equity account the Group's interest in joint ventures and associates. The parent company financial statements present information about the Company and not the Group. The Group elected to adopt REIT status from 8 September 2025. As a consequence of the Group's REIT status, UK corporation tax is not levied on the Group's qualifying property rental business profits, or gains from the sale of qualifying investment properties.

The Group financial statements have been prepared under the historical cost convention except for the following assets and liabilities, and corresponding income statement accounts, which are stated at their fair value: investment property; derivative financial instruments; and financial interest in property assets.

The Group financial statements have been prepared and approved by the Directors in accordance with UK-adopted international accounting standards (IFRS) and applicable law. The Company has elected to prepare its parent company financial statements in accordance with FRS 101 reduced disclosure framework; these are presented on pages 174 to 179.

The Group and Company financial statements are presented in millions of Pounds Sterling (£m) because that is the currency of the principal economic environment in which the Group operates.

In preparing the financial statements, management has considered the potential impacts, risks and opportunities of climate change, taking into account the relevant disclosures in the Strategic report, including those made in accordance with TCFD, and considered the impact of the issues identified to ensure they are appropriately reflected into the financial statements. The impact of climate change and of climate change related changes in markets and regulation are considered in the valuation of investment properties. These issues are also considered when projecting future cash flows of the Group and in sensitivity analysis. Management feel that climate-related issues are appropriately considered in these financial statements.

Going concern

The Directors are required to make an assessment of the Group's ability to continue to trade as a going concern for the foreseeable future. Given the macroeconomic conditions in which the Group is operating, the Directors have placed a particular focus on the appropriateness of adopting the going concern basis in preparing the financial statements for the year ended 30 September 2025.

The financial position of the Group, including details of its financing and capital structure, is set out in the financial review on pages 31 to 35. In making the going concern assessment, the Directors have considered the Group's principal risks and uncertainties (see pages 61 to 69) and their impact on financial performance. The Directors have assessed the future funding commitments of the Group and compared these to the level of committed loan facilities and cash resources over the medium term. In making this assessment, consideration has been given to compliance with borrowing covenants along with the uncertainty inherent in future financial forecasts and, where applicable, severe but plausible sensitivities have been applied to the key factors affecting financial performance for the Group.

The going concern assessment covers at least a year from the date of approval of the financial statements. It uses the same forecasts considered by the Group for the purposes of the Viability Statement. The assessment considers a severe but plausible downside scenario, reflecting the following key assumptions:

- Reducing PRS occupancy to 90%
- Rental growth reduced by 100bps to 2.0%
- Reducing property valuations by 10%, driven by rents yield, expansion or house price deflation
- Operating and development cost inflation of 10% p.a.
- An increase in SONIA of 2%.

The Group's forecasts incorporate the likely impact of climate change and sustainability requirements including costs to deliver our climate-related targets. This includes EPC upgrades and investing in energy efficient solutions for central heating systems.

No new financing is assumed in the assessment period, but existing facilities are assumed to remain available. Even in this severe but plausible downside scenario, the Group has sufficient cash reserves, with the loan-to-value covenant remaining no higher than 46% (facility maximum covenant ranges between 70% – 75%) and interest cover no lower than 2.69x (facility minimum covenant ranges between 1.35x – 1.75x) for the period.

Based on these considerations, together with available market information and the Directors' experience of the Group's property portfolio and markets, the Directors continue to adopt the going concern basis in preparing the accounts for the year ended 30 September 2025.

Notes to the financial statements continued

1. Accounting policies continued

(b) Basis of consolidation

i) Subsidiaries – Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date control ceases.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

ii) Joint ventures and associates – Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement. Associates are all entities over which the Group has significant influence but not control. Where the Group owns less than 50% of the voting rights but acts as property and/or asset manager an assessment is made as to whether or not the Group has de facto control over an investee. This includes a review of the Group's rights relative to those of another investor or investors and the ability the Group has to direct the investees' relevant activities (further details are provided in Note 18 and Note 19).

Investments in joint ventures and associates are accounted for by the equity method of accounting and are initially recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss after the date of acquisition, less any distributions received. The joint venture and associate results for the 12 months to 30 September 2025 and the financial position as at that date have been equity accounted in these financial statements.

The Group's share of its joint ventures' and associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in other comprehensive income. Where the Group's interest has been reduced to £nil, additional losses are provided for, and a liability is recognised, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture or associate. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

Unrealised gains on transactions between the Group and its joint ventures and associates are eliminated to the extent of the Group's interest in joint ventures and associates. The accounting policies of joint ventures and associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

iii) Business combinations – At the time of acquisition, the Group considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. The Group accounts for an acquisition as a business combination where an integrated set of activities are acquired in addition to the property. Consideration is also given to the concentration test permitted under IFRS 3 Business Combinations.

When the acquisition of a subsidiary does not represent a business, it is accounted for as an acquisition of assets and liabilities. The cost of acquisition is allocated to the assets and liabilities acquired based on their fair values, and no goodwill or deferred tax is recognised.

A business combination may also require the recognition of identifiable intangible assets by the Group. An intangible asset is deemed to be identifiable if it is able to be separated or divided from the other assets acquired in the business combination and sold, licensed or exchanged for something else of value, even if the intention to do so is not present on behalf of the Group. Where an intangible asset is not individually separable, it may still meet the separability criterion if it is separable in combination with a related contract, identifiable asset or liability.

Business combinations are accounted for using the acquisition method. The cost of the acquisition is measured as the fair value of the assets given and equity instruments issued. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the date of acquisition. Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets, including intangible assets, of the acquired entity at the date of acquisition. If the cost of the acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement. Costs attributable to an acquisition of a business are expensed in the consolidated income statement under the heading 'Other expenses'.

Goodwill on acquisition of subsidiaries is included within this caption in the consolidated statement of financial position. Goodwill on acquisition of joint ventures and associates is included in investments in joint ventures and associates.

Goodwill is allocated to cash generating units for the purpose of impairment testing and is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(c) Adoption of new and revised International Financial Reporting Standards and interpretations

The following new standards and amendments to standards were issued and adopted in the year and have no material impact on the financial statements:

- Amendments to IAS 1 – Classification of liabilities as current or non-current;
- Amendments to IAS 1 – Non-current Liabilities with Covenants;
- Amendments to IAS 7 and IFRS 7 – Disclosures: Supplier finance arrangements;
- Amendments to IFRS 16 – Lease liability in a sale and leaseback;

The following new standards and amendments to standards have been issued but are not yet effective for the Group and have not been early adopted:

- Amendments to IAS 21 – Lack of exchangeability;
- Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments;
- Annual Improvements to IFRS Accounting Standards – Volume 11;
- Amendments to IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependent Electricity;
- IFRS 18 – Presentation and Disclosure in Financial Statements;
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures;
- Amendments to IFRS 10 Consolidated Financial Statements;
- Amendments to IAS 28 Investments in Associates and Joint Ventures.

With the exception of IFRS 18, which the Group is still assessing and the impact to the financial statements is not yet known, the application of these new standards and amendments are not expected to have a material impact on the Group's financial statements.

2. Critical accounting estimates and judgements

The Group's significant accounting policies are stated in the relevant notes to the Group financial statements. The preparation of financial statements requires management to exercise judgement in applying the Group's accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Estimates and assumptions, including those associated with climate change, are reviewed on an ongoing basis with revisions recognised in the period in which the estimates are revised and in any future periods affected. The areas involving a higher degree of judgement or complexity are set out below.

Estimates

1) Valuation of property assets

Residential trading property is carried in the statement of financial position at the lower of cost and net realisable value and investment property is carried at fair value. The Group does, however, in its principal non-GAAP net asset value measures, EPRA NRV, EPRA NTA and EPRA NDV, include trading property at market value. The adjustment in the value of trading property is the difference between the statutory book value and its market value as set out in Note 4. For investment property, market value is the same as fair value. In respect of trading properties, market valuation is the key assumption in determining the net realisable value of those properties.

The results and the basis of each valuation and their impact on both the statutory financial statements and market value for the Group's non-GAAP net asset value measures are set out below. This includes details of key estimates and assumptions, along with which an independent professional adviser has been utilised to determine valuations for each asset category. In all cases, forming these valuations inherently includes elements of judgement and subjectivity with regard to the selection of unobservable inputs.

The methodology for the year end valuation process for capitalised yield-based valuations is consistent with the prior year. This is considered to be the most appropriate method for valuing assets that are likely to be held as long-term investments and represents 81% of our property assets relating primarily to PRS blocks, including new build PRS assets. The remaining 19% of property assets are valued based on current house prices, reflecting the prevailing market conditions as at the reporting date.

Where appropriate, sustainability and environmental matters are an integral part of the valuation approach. 'Sustainability' is taken to mean the consideration of such matters as environment and climate change, health and wellbeing and corporate responsibility that can or do impact on the valuation of an asset. In a valuation context, sustainability encompasses a wide range of physical, social, environmental, and economic factors that can affect value. The range of issues includes key environmental risks, such as flooding, energy efficiency and climate, as well as matters of design, configuration, accessibility, legislation, management, and fiscal consideration.

Notes to the financial statements continued

2. Critical accounting estimates and judgements continued

When determining property asset values, management have included an estimate for fire safety works where there is a legal or constructive obligation or where required works affect the market value of the property. Property asset values reflect the best estimate of the cost of the required works based on known costs and quotations where available. They do not take into account any potential recovery of costs from third parties.

	Notes	PRS £m	Reversionary £m	Other £m	Total £m	Valuer	% of properties for which external valuer provides valuation
Trading property		1.6	265.7	31.3	298.6		
Investment property[1]		3,110.1	14.2	–	3,124.3		
Financial asset (CHARM)		–	48.6	–	48.6		
Total statutory book value		3,111.7	328.5	31.3	3,471.5		
Trading property							
Residential	(i)	1.6	489.2	–	490.8	Allsop LLP	77%
Developments	(ii)	–	–	50.2	50.2	CBRE Limited	94%
Total trading property at market value		1.6	489.2	50.2	541.0		
Investment property							
Residential	(i)	603.7	14.2	–	617.9	Allsop LLP/ CBRE Limited	99%
Developments	(ii)	46.0	–	–	46.0	CBRE Limited	94%
New build PRS	(iii)	2,086.5	–	–	2,086.5	CBRE Limited	100%
Affordable housing	(iv)	229.0	–	–	229.0	Allsop LLP	100%
Tricomm Housing	(v)	144.9	–	–	144.9	Allsop LLP	100%
Total investment property		3,110.1	14.2	–	3,124.3		
Financial asset (CHARM)[2]	(vi)	–	48.6	–	48.6	Allsop LLP	100%
Total assets at market value		3,111.7	552.0	50.2	3,713.9		
Statutory book value		3,111.7	328.5	31.3	3,471.5		
Market value adjustment[3]		–	223.5	18.9	242.4		
Total assets at market value[4]		3,111.7	552.0	50.2	3,713.9		
Net revaluation gain recognised in the income statement for wholly-owned properties		29.5					
Net revaluation loss relating to joint ventures and associates[5]	(vii)	(3.5)					
Net revaluation gain recognised in the year[5]		26.0					

1. Includes investment property – held for sale.
2. Allsop LLP provide vacant possession values used by the Directors to value the financial asset in accordance with the accounting policy set out in Note 20.
3. The market value adjustment is the difference between the statutory book value and the market value of the Group's properties. Refer to Note 4 for market value net asset measures.
4. Excludes £92.7m (2024: £91.3m) of investments in JV's and associates.
5. Includes the Group's share of joint ventures and associates revaluation loss after tax.

i) Residential

Trading property: The Group's own in-house qualified team provided a vacant possession value for the majority of the Group's residential properties as at 30 September 2025. A structured sample of these in-house valuations was reviewed by Allsop LLP, an external independent valuer. Valuing the large number of properties in this portfolio is a significant task. For this reason it is undertaken on an external inspection basis only. Invariably, when the in-house valuations are compared with those of the external valuer, around 84% (2024: 70%) of the valuations are within a small acceptable tolerance. Where the difference is more significant, this is discussed with the valuer to determine the reasons for the difference. Typically, the reasons vary, but it could be, for example, that further or better information about internal condition is available or that respective valuers have placed a different interpretation on comparable sales. Once such reasons have been identified, the Group and the valuer agree the appropriate valuation that should be adopted as the Directors' Valuation.

Allsop LLP has provided the Directors with the following opinion on the Directors' Valuation:

Property held in the residential portfolio was valued as at 30 September 2025 by Grainger's in-house surveyors. These valuations were reviewed and approved by the Directors. Allsop LLP has undertaken a comprehensive review of the Directors' Valuation and they are satisfied with the process by which the in-house valuations were conducted. Allsop LLP valued approximately 85% (2024: 86%) of the residential portfolio, independently of the Group. Based on the results of that review, Allsop LLP has concluded that they have a high degree of confidence in those Directors' Valuations.

Allsop LLP also recommends a discount to apply to the vacant possession valuations to establish the market value of each property, with the discounts ranging from 5.0% to 17.5% (2024: 5.0% to 17.5%). The discounts are established by tenancy type and region and are based on evidence gathered by Allsop LLP from recent transactional market evidence. The Directors have adopted the discounts recommended by Allsop LLP.

Investment property: PRS blocks are valued on an income capitalisation basis, having regard to prevailing market conditions and evidence, and with close regard to the relativity between the market value and the aggregate vacant possession value. The valuation has been prepared in accordance with RICS Professional Valuation Standards where fair value is the same as market value. CBRE Limited valued 55% (2024: 56%) of residential investment property, with Allsop LLP valuing 11% (2024: 9%). Gross yields adopted in the valuations broadly range from 5.5% to 9.3% (2024: 5.7% to 8.8%).

The remaining 34% (2024: 35%) of residential property is valued in line with the trading property approach, with older properties and groups of individual units valued by Allsop LLP on a discount to vacant possession value basis on the assumption these assets would be sold individually. Residential reversionary assets discounts adopted ranged from 10.0% to 17.5% (2024: 10.0% to 17.5%), whilst the residential PRS discount to vacant possession value was 5% (2024: 5%).

ii) Developments

Trading property: Development trading property of £50.2m (2024: £41.6m) relates to the Group's legacy strategic land assets. The current market value has been assessed by CBRE Limited. Their valuation, representing 94% (2024: 94%) of total value, is on the basis of fair value as defined in the RICS Professional Valuation Standards where fair value is the same as market value. The remaining 6% (2024: 6%) of the portfolio is a Directors' Valuation.

Investment property: CBRE Limited assessed the fair value of the direct development schemes in the course of construction. These schemes are valued on an income capitalisation basis, with gross yields adopted in the valuations ranging from 5.9% to 6.1% (2024: 5.1% to 6.2%). As the assets are under construction, the valuation takes into account estimated costs required to reach completion.

iii) New build PRS – CBRE Limited assessed the fair value of the completed assets and assets in the course of construction.

The principal approach was to value the properties on an income capitalisation basis, having regard to prevailing market conditions and evidence, and with close regard to the relativity between the market value and the aggregate vacant possession value.

Where applicable, estimated costs required to complete construction have been taken into account. The valuation has been prepared in accordance with RICS Professional Valuation Standards where fair value is the same as market value.

The primary unobservable input within the valuation relates to assumptions for gross yields adopted with respect to comparable market evidence, with gross yields ranging from 6.0% to 7.1% (2024: 6.0% to 7.2%) across the portfolio. For assets under construction, a discount to market value to reflect stabilisation and construction risk in the remaining build process is applied on an asset by asset basis depending on stage of completion.

iv) Affordable housing – For properties let on affordable rents, social rents or sold on shared ownership leases, Allsop LLP valued the assets on the basis of Existing Use Value for Social Housing ('EUV-SH') in line with RICS Global Standards. Properties subject to intermediate rents have been valued at market value as these assets are not restricted as social housing in perpetuity.

The primary unobservable input within the valuation relates to assumptions for the income capitalisation rate of net rent, which is determined on a tenure basis. The gross yields adopted for 30 September 2025 valuations range from 4.8% to 5.8% (2024: 4.5% to 5.6%).

v) Tricomm Housing – Allsop LLP provided an investment valuation as at 30 September 2025 for the property assets owned by the Group and let under a long-term lease arrangement with the Secretary of State for Defence under a PFI project agreement. The investment valuation is in accordance with RICS Professional Valuation Standards, and is based on a discounted cash flow model.

Significant unobservable inputs within the valuation relate to assumptions for house price inflation and the discount rates to apply to the cash flows. The assumptions adopted for house price inflation are: 2.5% in 2026, 3.4% in 2027, and 4.2% in 2028. The discount rates applied to the cash flows range between 4.9% (2024: 4.9%) non-core MOD income and 9.0% (2024: 7.5%) on reversion.

vi) Financial asset (CHARM) – The valuation methodology adopted for the CHARM asset is set out in Note 20 to the financial statements. CHARM is valued using projected cash flows and applies key unobservable inputs being house price inflation and discount rates.

As such it is classified as a level 3 asset (Note 27). The assumptions used to value the asset reflect an increase in house prices of between 2.1% and 3.7% p.a. (2024: 3.5% and 4.2%). A discount rate of 5.0% (2024: 4.5%) has been applied to the interest income and a rate of 7.25% (2024: 7.5%) has been applied to the projected proceeds from sales of the underlying properties, reflecting the risk profile of each individual income stream.

Credit risk arises from the credit exposure relating to cash receipts from the financial instrument. All of the cash receipts are payable by the Church Commissioners, a counterparty considered to be low risk as they have no history of past due or impaired amounts and there are no past due amounts outstanding at the year end.

vii) Joint ventures and associates – For Vesta LP, CBRE Limited valued the asset on the same basis described for completed new build PRS assets. Property assets in other joint ventures including the Connected Living London Group are held at fair value and Lewisham Grainger Holdings LLP are held at cost reflecting the current early stages of each development.

The Directors consider the valuations provided by external valuers to be representative of fair value.

Notes to the financial statements continued

2. Critical accounting estimates and judgements continued

As required by RICS Professional Valuation Standards, the external valuers in the UK mentioned above have made full disclosure of the extent and duration of their work for, and fees earned by them from, the Group, which in all cases are less than 5% of their total fees.

Sensitivity analysis

Changes to key assumptions could impact both the income and financial position of the Group. The impact of changes to key assumptions on the valuation of property assets and the net realisable value of trading property is considered using a range of reasonable changes. The Group measures its market risk exposure internally by running various sensitivity analyses. The Directors consider that the range of potential movements set out in the table below represent reasonably possible changes.

		Increase		Decrease	
		Income statement impact £m	**Statement of financial position impact £m**	Income statement impact £m	Statement of financial position impact £m
Residential (trading property)	10.0% change in house prices (NRV provision impact)	**2.3**	**2.3**	(3.8)	(3.8)
Residential (investment property)[1]	0.50% change in gross yield	**(28.5)**	**(28.5)**	33.1	33.1
Residential (investment property)[1]	5.0% change in net rental income	**20.7**	**20.7**	(20.7)	(20.7)
Developments (investment property)[1]	0.50% change in gross yield	**(21.4)**	**(21.4)**	37.1	37.1
Developments (investment property)[1]	5.0% change in net rental income	**20.4**	**20.4**	(20.4)	(20.4)
New build PRS	0.50% change in gross yield	**(158.5)**	**(158.5)**	185.8	185.8
New build PRS	5.0% change in net rental income	**108.3**	**108.3**	(108.3)	(108.3)
Affordable housing	0.50% change in gross yield	**(20.6)**	**(20.6)**	25.1	25.1
Affordable housing	5.0% change in net rental income	**11.5**	**11.5**	(11.5)	(11.5)
Joint ventures and associates[2]	0.50% change in gross yield	**(26.2)**	**(26.2)**	30.8	30.8
Joint ventures and associates[2]	5.0% change in net rental income	**17.3**	**17.3**	(17.3)	(17.3)
Tricomm Housing	10.0% change in house prices	**1.7**	**1.7**	(1.7)	(1.7)
Tricomm Housing	0.75% change in discount rate	**(2.8)**	**(2.8)**	2.8	2.8
Financial asset (CHARM)	10.0% change in house prices	**4.0**	**4.0**	(4.0)	(4.0)
Financial asset (CHARM)	0.75% change in discount rate	**(1.9)**	**(1.9)**	2.7	2.7

1. Includes investment property – held for sale.
2. Joint ventures and associates includes the Group's share of property revaluation movements.

Judgements

1) Distinction between investment and trading property

The Group considers the intention at the outset when each property is acquired in order to classify the property as either an investment or a trading property. Where the intention is either to trade the property or where the property is held for immediate sale upon receiving vacant possession within the ordinary course of business, the property is classified as trading property. Where the intention is to hold the property for its long-term rental yield and/or capital appreciation, the property is classified as an investment property. The classification of the Group's properties is a significant judgement which directly impacts the statutory net asset position, as trading properties are held at the lower of cost and net realisable value, whilst investment properties are held at fair value, with gains or losses taken through the consolidated income statement.

The Group continually reviews properties for changes in use that could change the classification. A change in use occurs if property meets, or ceases to meet, the definition of investment property which is more than a change in management's intentions. The fact patterns associated with changes in the way in which properties are utilised are considered on a case by case basis and to the extent that a change in use is established, property reclassifications are reflected appropriately.

There have been no property reclassifications in the year.

3. Analysis of profit before tax

The table below details adjusted earnings. The metric is utilised as a key measure to aid understanding of the performance of the continuing business and excludes valuation movements and other adjustments, which do not form part of the normal ongoing revenue or costs of the business and, either individually or in aggregate, are material to the reported Group results.

	2025				2024			
£m	Statutory	Valuation	Other adjustments	Adjusted earnings	Statutory	Valuation	Other adjustments	Adjusted earnings
Group revenue	**262.7**	**–**	**–**	**262.7**	290.1	–	–	290.1
Net rental income	**123.6**	**–**	**–**	**123.6**	110.1	–	–	110.1
Profit on disposal of trading property	**38.9**	**–**	**–**	**38.9**	49.4	–	–	49.4
Loss on disposal of investment property	**(1.6)**	**–**	**–**	**(1.6)**	(5.8)	–	–	(5.8)
Income/(expense) from financial interest in property assets	**1.1**	**3.2**	**–**	**4.3**	(1.3)	5.9	–	4.6
Fees and other income	**6.1**	**–**	**–**	**6.1**	8.1	–	–	8.1
Administrative expenses	**(36.7)**	**–**	**–**	**(36.7)**	(35.3)	–	–	(35.3)
Other expenses	**(4.0)**	**–**	**3.3**	**(0.7)**	(6.0)	–	5.0	(1.0)
Reversal of impairment/(impairment) of inventories to net realisable value	**0.6**	**(0.6)**	**–**	**–**	(0.1)	0.1	–	–
Operating profit	**128.0**	**2.6**	**3.3**	**133.9**	119.1	6.0	5.0	130.1
Net valuation gains/(losses) on investment property	**29.5**	**(29.5)**	**–**	**–**	(32.5)	32.5	–	–
Hedge ineffectiveness under IFRS 9	**(8.5)**	**–**	**8.5**	**–**	(6.6)	–	6.6	–
Finance costs	**(45.4)**	**–**	**–**	**(45.4)**	(41.8)	–	–	(41.8)
Finance income	**2.7**	**–**	**–**	**2.7**	3.0	–	–	3.0
Share of profit/(loss) of associates after tax	**0.6**	**(0.2)**	**–**	**0.4**	(0.4)	0.9	–	0.5
Share of loss of joint ventures after tax	**(4.3)**	**3.7**	**–**	**(0.6)**	(0.2)	–	–	(0.2)
Profit before tax	**102.6**	**(23.4)**	**11.8**	**91.0**	40.6	39.4	11.6	91.6
Tax credit/(charge)	**100.0**				(9.4)			
Profit for the year attributable to the owners of the Company	**202.6**				31.2			
Basic adjusted earnings per share				**9.3p**				9.3p
Diluted adjusted earnings per share				**9.3p**				9.3p

Profit before tax in the adjusted earnings columns above of £91.0m (2024: £91.6m) is the adjusted earnings of the Group. Adjusted earnings per share assumes tax of £22.2m (2024: £22.9m) in line with the Group's current year tax rate of 24.4%, adjusted for the effect of REIT conversion on 8 September 2025 (2024: 25.0%), divided by the weighted average number of shares as shown in Note 15. The Group's IFRS statutory earnings per share is also detailed in Note 15. The classification of amounts as other adjustments is a judgement made by management and is a matter referred to the Audit & Risk Committee for approval prior to issuing the financial statements. Included in other adjustments are £1.9m of fire safety provisions (2024: £5.0m), REIT conversion costs of £0.6m (2024: £nil), aborted acquisition costs of £0.8m (2024: £nil) and hedge ineffectiveness under IFRS 9 of £8.5m (2024: £6.6m).

4. Segmental information

(a) Accounting policy

IFRS 8, Operating Segments requires operating segments to be identified based upon the Group's internal reporting to the Chief Operating Decision Maker ('CODM') so that the CODM can make decisions about resources to be allocated to segments and assess their performance. The Group's CODM are the Executive Directors.

The two significant segments for the Group are PRS and Reversionary. The PRS segment includes stabilised PRS assets as well as PRS under construction through direct development and forward funding arrangements, both for wholly-owned assets and the Group's interest in joint ventures and associates as relevant. The Reversionary segment includes regulated tenancies, as well as CHARM. The Other segment includes legacy strategic land and development arrangements, along with administrative expenses.

The key operating performance measure of profit or loss used by the CODM is adjusted earnings before tax, valuation and other adjustments.

The principal net asset value (NAV) measure reviewed by the CODM is EPRA NTA which is considered to be the most relevant, and therefore the primary NAV measure for the Group. EPRA NTA reflects the tax that will crystallise in relation to the trading portfolio, whilst excluding the volatility of mark to market movements on fixed rate debt and derivatives which are unlikely to be realised. Other NAV measures include EPRA NRV and EPRA NDV which we report alongside EPRA NTA. A full description and reconciliation of these measures is included in the EPRA performance measures section on pages 180 to 183 of this report.

Notes to the financial statements continued

4. Segmental information continued

Information relating to the Group's operating segments is set out in the tables below. The tables distinguish between adjusted earnings on a segmental basis. Valuation and other adjustments are not reviewed by the CODM on a segmental basis and should be read in conjunction with Note 3.

2025 Income statement

£m	PRS	Reversionary	Other	Total
Group revenue	162.0	98.7	2.0	262.7
Segment revenue – external				
Net rental income	111.6	10.9	1.1	123.6
Profit on disposal of trading property	0.2	38.7	–	38.9
Loss on disposal of investment property	(1.7)	0.1	–	(1.6)
Income from financial interest in property assets	–	4.3	–	4.3
Fees and other income	5.6	–	0.5	6.1
Administrative expenses	–	–	(36.7)	(36.7)
Other expenses	(0.1)	–	(0.6)	(0.7)
Net finance costs	(35.8)	(6.2)	(0.7)	(42.7)
Share of trading loss of joint ventures and associates after tax	0.2	–	(0.4)	(0.2)
Adjusted earnings	80.0	47.8	(36.8)	91.0
Valuation movements	26.6	(3.2)	–	23.4
Other adjustments	(1.9)	–	(9.9)	(11.8)
Profit before tax	104.7	44.6	(46.7)	102.6

The 'Other' category incorporates non-core operating activity and the cost of support functions.

A reconciliation from adjusted earnings to EPRA earnings is detailed in the table below, with further details shown in the EPRA performance measures on page 180:

£m	PRS	Reversionary	Other	Total
Adjusted earnings	80.0	47.8	(36.8)	91.0
Profit on disposal of trading property	(0.2)	(38.7)	–	(38.9)
Loss on disposal of investment property	1.7	(0.1)	–	1.6
EPRA earnings	81.5	9.0	(36.8)	53.7

2024 Income statement

£m	PRS	Reversionary	Other	Total
Group revenue	150.3	112.5	27.3	290.1
Segment revenue – external				
Net rental income	97.6	11.5	1.0	110.1
Profit on disposal of trading property	(1.3)	48.1	2.6	49.4
Loss on disposal of investment property	(5.9)	0.1	–	(5.8)
Income from financial interest in property assets	–	4.6	–	4.6
Fees and other income	7.5	–	0.6	8.1
Administrative expenses	–	–	(35.3)	(35.3)
Other expenses	(0.4)	–	(0.6)	(1.0)
Net finance costs	(31.3)	(6.6)	(0.9)	(38.8)
Share of trading profit of joint ventures and associates after tax	0.3	–	–	0.3
Adjusted earnings	66.5	57.7	(32.6)	91.6
Valuation movements	(33.5)	(5.9)	–	(39.4)
Other adjustments	(5.0)	–	(6.6)	(11.6)
Profit before tax	28.0	51.8	(39.2)	40.6

A reconciliation from adjusted earnings to EPRA earnings is detailed in the table below:

£m	PRS	Reversionary	Other	Total
Adjusted earnings	66.5	57.7	(32.6)	91.6
Profit on disposal of trading property	1.3	(48.1)	(2.6)	(49.4)
Loss on disposal of investment property	5.9	(0.1)	–	5.8
EPRA earnings	73.7	9.5	(35.2)	48.0

Segmental assets

The net asset value measures reviewed by the CODM are EPRA NRV, EPRA NTA and EPRA NDV. These measures reflect the current market value of trading property owned by the Group rather than the lower of historical cost and net realisable value. These measures are considered to be a more relevant reflection of the value of the assets owned by the Group.

EPRA NRV is the Group's statutory net assets plus the adjustment required to increase the value of trading stock from its statutory accounts value of the lower of cost and net realisable value to its market value. In addition, the statutory statement of financial position amounts for both deferred tax on property revaluations and derivative financial instruments net of deferred tax, including those in joint ventures and associates, are added back to statutory net assets. Finally, the market value of Grainger plc shares owned by the Group are added back to statutory net assets.

EPRA NTA assumes that entities buy and sell assets, thereby crystallising certain levels of deferred tax liabilities. For the Group, deferred tax in relation to revaluations of its trading portfolio is taken into account by applying the expected rate of tax to the adjustment that increases the value of trading stock from its statutory accounts value of the lower of cost and net realisable value, to its market value. The measure also excludes all intangible assets on the statutory balance sheet, including goodwill.

EPRA NDV reverses some of the adjustments made between statutory net assets, EPRA NRV and EPRA NTA. All of the adjustments for the value of derivative financial instruments net of deferred tax, including those in joint ventures and associates, are reversed. The adjustment for the deferred tax on investment property revaluations excluded from EPRA NRV and EPRA NTA are also reversed, as is the intangible adjustment in respect of EPRA NTA, except for goodwill which remains excluded. In addition, adjustments are made to net assets to reflect the fair value, net of deferred tax, of the Group's fixed rate debt.

Total Accounting Return of 2.6% is calculated from the closing EPRA NTA of 298p per share plus the dividend paid of 7.55p per share in the year, divided by the opening EPRA NTA of 298p per share.

These measures are set out below by segment along with a reconciliation to the summarised statutory statement of financial position. Additional EPRA disclosures are included on pages 180 to 183.

2025 Segment net assets

£m	PRS	Reversionary	Other	Total	Pence per share
Total segment net assets (statutory)	**1,911.1**	**104.3**	**24.4**	**2,039.8**	**274**
Total segment net assets (EPRA NRV)	**1,915.1**	**327.5**	**40.5**	**2,283.1**	**307**
Total segment net assets (EPRA NTA)	**1,912.1**	**271.7**	**32.8**	**2,216.6**	**298**
Total segment net assets (EPRA NDV)	**1,911.1**	**271.7**	**95.2**	**2,278.0**	**307**

2025 Reconciliation of EPRA NAV measures

£m	Statutory balance sheet	Adjustments to market value, deferred tax and derivatives	EPRA NRV balance sheet	Adjustments to deferred and contingent tax and intangibles	EPRA NTA balance sheet	Adjustments to derivatives, fixed rate debt and intangibles	EPRA NDV balance sheet
Investment property[1]	**3,124.3**	**–**	**3,124.3**	**–**	**3,124.3**	**–**	**3,124.3**
Investment in joint ventures and associates	**92.7**	**–**	**92.7**	**–**	**92.7**	**–**	**92.7**
Financial interest in property assets	**48.6**	**–**	**48.6**	**–**	**48.6**	**–**	**48.6**
Inventories – trading property	**298.6**	**242.4**	**541.0**	**–**	**541.0**	**–**	**541.0**
Cash and cash equivalents	**85.8**	**–**	**85.8**	**–**	**85.8**	**–**	**85.8**
Other assets	**121.8**	**(3.1)**	**118.7**	**(2.9)**	**115.8**	**(3.3)**	**112.5**
Total assets	**3,771.8**	**239.3**	**4,011.1**	**(2.9)**	**4,008.2**	**(3.3)**	**4,004.9**
Interest-bearing loans and borrowings	**(1,590.1)**	**–**	**(1,590.1)**	**–**	**(1,590.1)**	**65.7**	**(1,524.4)**
Deferred and contingent tax liabilities	**(8.2)**	**4.0**	**(4.2)**	**(63.6)**	**(67.8)**	**(1.0)**	**(68.8)**
Other liabilities	**(133.7)**	**–**	**(133.7)**	**–**	**(133.7)**	**–**	**(133.7)**
Total liabilities	**(1,732.0)**	**4.0**	**(1,728.0)**	**(63.6)**	**(1,791.6)**	**64.7**	**(1,726.9)**
Net assets	**2,039.8**	**243.3**	**2,283.1**	**(66.5)**	**2,216.6**	**61.4**	**2,278.0**

1. Includes investment property – held for sale.

Notes to the financial statements continued

4. Segmental information continued

In order to provide further analysis, the following table sets out EPRA NTA by segment:

£m	PRS	Reversionary	Other	Total
EPRA NTA				
Investment property[1]	**3,110.1**	**14.2**	**–**	**3,124.3**
Investment in joint ventures and associates	**75.0**	**–**	**17.7**	**92.7**
Financial interest in property assets	**–**	**48.6**	**–**	**48.6**
Inventories – trading property	**1.6**	**489.2**	**50.2**	**541.0**
Cash and cash equivalents	**71.9**	**12.4**	**1.5**	**85.8**
Other assets	**59.9**	**6.0**	**49.9**	**115.8**
Total segment EPRA NTA assets[2]	**3,318.5**	**570.4**	**119.3**	**4,008.2**
Interest-bearing loans and borrowings	**(1,331.8)**	**(230.2)**	**(28.1)**	**(1,590.1)**
Deferred and contingent tax liabilities	**(3.0)**	**(55.8)**	**(9.0)**	**(67.8)**
Other liabilities	**(71.6)**	**(12.7)**	**(49.4)**	**(133.7)**
Total segment EPRA NTA liabilities	**(1,406.4)**	**(298.7)**	**(86.5)**	**(1,791.6)**
Net EPRA NTA assets	**1,912.1**	**271.7**	**32.8**	**2,216.6**

1. Includes investment property – held for sale.
2. Within EPRA NTA assets are £3,806.6m relating to property.

2024 Segment net assets

£m	PRS	Reversionary	Other	Total	Pence per share
Total segment net assets (statutory)	1,757.6	117.5	18.6	1,893.7	255
Total segment net assets (EPRA NRV)	1,873.5	386.9	35.5	2,295.9	309
Total segment net assets (EPRA NTA)	1,870.3	319.1	28.7	2,218.1	298
Total segment net assets (EPRA NDV)	1,757.3	319.1	118.5	2,194.9	295

2024 Reconciliation of EPRA NAV measures

£m	Statutory balance sheet	Adjustments to market value, deferred tax and derivatives	EPRA NRV balance sheet	Adjustments to deferred and contingent tax and intangibles	EPRA NTA balance sheet	Adjustments to derivatives, fixed rate debt and intangibles	EPRA NDV balance sheet
Investment property[1]	3,028.3	–	3,028.3	–	3,028.3	–	3,028.3
Investment in joint ventures and associates	91.3	–	91.3	–	91.3	–	91.3
Financial interest in property assets	57.4	–	57.4	–	57.4	–	57.4
Inventories – trading property	331.6	288.5	620.1	–	620.1	–	620.1
Cash and cash equivalents	93.2	–	93.2	–	93.2	–	93.2
Other assets	140.9	(3.2)	137.7	(1.8)	135.9	21.1	157.0
Total assets	3,742.7	285.3	4,028.0	(1.8)	4,026.2	21.1	4,047.3
Interest-bearing loans and borrowings	(1,592.9)	–	(1,592.9)	–	(1,592.9)	98.1	(1,494.8)
Deferred and contingent tax liabilities	(121.5)	116.9	(4.6)	(76.0)	(80.6)	(142.4)	(223.0)
Other liabilities	(134.6)	–	(134.6)	–	(134.6)	–	(134.6)
Total liabilities	(1,849.0)	116.9	(1,732.1)	(76.0)	(1,808.1)	(44.3)	(1,852.4)
Net assets	1,893.7	402.2	2,295.9	(77.8)	2,218.1	(23.2)	2,194.9

1. Includes investment property – held for sale.

In order to provide further analysis, the following table sets out EPRA NTA by segment:

£m	PRS	Reversionary	Other	Total
EPRA NTA				
Investment property[1]	3,011.9	16.4	–	3,028.3
Investment in joint ventures and associates	73.3	–	18.0	91.3
Financial interest in property assets	–	57.4	–	57.4
Inventories – trading property	3.9	574.6	41.6	620.1
Cash and cash equivalents	75.4	15.9	1.9	93.2
Other assets	67.2	6.7	62.0	135.9
Total segment EPRA NTA assets[2]	3,231.7	671.0	123.5	4,026.2
Interest-bearing loans and borrowings	(1,287.5)	(271.2)	(34.2)	(1,592.9)
Deferred and contingent tax liabilities	(3.2)	(67.8)	(9.6)	(80.6)
Other liabilities	(70.7)	(12.9)	(51.0)	(134.6)
Total segment EPRA NTA liabilities	(1,361.4)	(351.9)	(94.8)	(1,808.1)
Net EPRA NTA assets	1,870.3	319.1	28.7	2,218.1

1. Includes investment property – held for sale.
2. Within EPRA NTA assets are £3,797.1m relating to property.

5. Group revenue

Accounting policy

Revenue is measured at the fair value of the consideration received or receivable and is stated net of incentives, sales taxes and value added taxes. Gross proceeds from disposal of trading property and fees and other income are recognised in accordance with IFRS 15. Gross rental income is recognised in accordance with IFRS 16.

	2025 £m	2024 £m
Gross rental income (Note 6)	**170.2**	154.8
Gross proceeds from disposal of trading property (Note 7)	**86.4**	127.2
Fees and other income (Note 9)	**6.1**	8.1
	262.7	290.1

6. Net rental income

Accounting policy

Gross rental income is recognised on a straight-line basis over the lease term on an accruals basis. Directly attributable property management, repair and maintenance costs are deducted from gross rental income to determine net rental income.

	2025 £m	2024 £m
Gross rental income	**170.2**	154.8
Property operating expenses	**(46.6)**	(44.7)
	123.6	110.1

Net rental income presented above reflects the total net rental income across all assets of the Group. Within this, gross rental income of £149.1m and property operating expenses of £37.3m generating gross to net performance of 25.0% related to the Group's stabilised assets (2024: gross rental income of £140.8m and property operating expenses of £35.2m generating stabilised gross to net performance of 25.0%).

7. Profit on disposal of trading property

Accounting policy

Property is regarded as sold when performance obligations have been met and control has been transferred to the buyer. This is generally deemed to be on legal completion as at this point the buyer is able to control the use of the property and has rights to any cash inflows or outflows in respect of the property. Profits or losses are calculated by reference to the carrying value of the property sold. For a development property, this is assessed through the use of a gross margin for the site as a whole or such other basis that provides an appropriate allocation of costs.

	2025 £m	2024 £m
Gross proceeds from disposal of trading property	**86.4**	127.2
Selling costs	**(2.0)**	(2.3)
Net proceeds from disposal of trading property	**84.4**	124.9
Carrying value of trading property sold (Note 22)	**(45.5)**	(75.5)
	38.9	49.4

Nil contract revenue has been recognised in the period (2024: £nil).

8. Loss on disposal of investment property

Accounting policy

Investment property is regarded as sold when the recipient obtains control of the property, which is generally deemed to be on legal completion. Profits or losses are calculated by reference to the carrying value of the property sold.

Notes to the financial statements continued

8. Loss on disposal of investment property continued

	2025 £m	2024 £m
Gross proceeds from disposal of investment property	82.5	147.1
Selling costs	(2.2)	(3.8)
Net proceeds from disposal of investment property[1]	80.3	143.3
Carrying value of investment property sold (Note 16)	(81.9)	(149.1)
	(1.6)	(5.8)

1. Net proceeds from disposal of investment property include amounts held as restricted deposits at the reporting date. Where disposals are made of properties which are included in facility covenant arrangements the funds cannot be released until certain covenant tests are met at the next test date.

9. Fees and other income

	2025 £m	2024 £m
Property and asset management fee income	2.3	2.6
Other sundry income	3.8	5.5
	6.1	8.1

Included within other sundry income in the current year is £3.6m (2024: £5.2m) liquidated and ascertained damages ('LADs') recorded to compensate the Group for lost rental income resulting from the delayed completion of construction contracts.

10. Employees

	2025 £m	2024 £m
Wages and salaries	26.0	24.8
Social security costs	2.9	2.8
Other pension costs – defined contribution scheme (Note 28)	1.9	1.7
Share-based payments (Note 30)	3.6	2.8
	34.4	32.1

The average monthly number of Group employees during the year (including Executive Directors) was:

	2025 Number	2024 Number
Operations	255	248
Shared services	102	105
Group	13	13
	370	366

Details of Directors' remuneration, including pension costs, share options and interests in the LTIP, are provided in the audited section of the Remuneration Committee report on pages 110 to 115.

Information about benefits of Directors

The following amounts are disclosed in accordance with Schedule 5 of the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008.

	2025 £'000	2024 £'000
Aggregate Directors' remuneration	2,951	3,155
Aggregate amount of gains on exercise of share options	(303)	–
Aggregate amount of money or assets received or receivable under scheme interests	602	553
	3,250	3,708

None of the Directors (2024: none) were members of the Group defined benefit scheme or the defined contribution scheme.

Key management compensation

	2025 £m	2024 £m
Short-term employee benefits	8.8	8.3
Post-employment benefits	0.6	0.6
Share-based payments	3.3	2.6
	12.7	11.5

Key management figures shown above include Executive and Non-Executive Directors and all internal Directors of specific functions.

11. Profit before tax

	2025 £m	2024 £m
Profit before tax is stated after charging:		
Depreciation of property, plant and equipment	**1.5**	1.5
Amortisation of IT software	**0.2**	0.1
Bad debt expense	**0.6**	0.6
Operating lease payments	**0.2**	0.1
Auditor's remuneration (see below)	**0.7**	0.7

The remuneration paid to KPMG, the Group's auditor, is disclosed below:

Auditor's remuneration

	2025 £'000	2024 £'000
Services as auditor to the Company	**378**	363
Services as auditor to Group subsidiaries	**260**	250
Group audit fees	**638**	613
Audit related assurance services	**68**	67
Non-audit fees	**68**	67
Total fees	**706**	680

The relevant proportion of amounts paid to the auditor for the audit of the financial statements of joint ventures is £24,000 (2024: £23,000).

12. Finance costs and income

	2025 £m	2024 £m
Finance costs		
Bank loans and mortgages	**20.3**	18.6
Non-bank financial institution	**8.4**	8.4
Corporate bond	**22.9**	22.9
Interest capitalised under IAS 23	**(10.4)**	(11.6)
Other finance costs	**4.2**	3.5
	45.4	41.8
Finance income		
Interest receivable from joint ventures (Note 34)	**(0.9)**	(1.2)
Other interest receivable	**(1.8)**	(1.8)
	(2.7)	(3.0)
Net finance costs	**42.7**	38.8

The weighted average interest rate applicable to capitalised interest is 3.81% (2024: 3.59%).

13. Tax

Accounting policy

The taxation (credit)/charge for the year represents the sum of the tax currently payable and deferred tax. The (credit)/charge is recognised in the income statement and statement of comprehensive income according to the accounting treatment of the related transaction.

The Group converted to REIT status with effect from 8 September 2025. As a consequence of the Group's REIT status, income tax is not levied on the Group's qualifying Property Rental Business profits, or gains from the sale of qualifying investment properties. Instead, UK withholding tax must be deducted from distributions of these tax exempt profits and gains (Property Income Distributions (PIDs)) paid by the Group to Shareholders, unless a Shareholder is entitled to be paid gross. Any income or gains which are not exempt from UK corporation tax due to the Group's REIT status are subject to tax within the Group in the usual way. This includes profits on property trading activity, property related fee income and interest income.

Current tax payable or receivable is based on the taxable income for the period and any adjustment in respect of prior periods and is calculated using the tax rate in force for the relevant period.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will give rise to a future tax liability against which the deferred tax assets can be recovered.

Notes to the financial statements continued

13. Tax continued

Accounting policy continued

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities may be offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same tax authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The tax (credit)/charge for the year of £(100.0)m (2024: £9.4m) recognised in the consolidated income statement comprises:

	2025 £m	2024 £m
Current tax		
Corporation tax on profit	**12.9**	14.5
Adjustments relating to prior years	**(1.8)**	(7.8)
	11.1	6.7
Deferred tax		
Origination and reversal of temporary differences	**(111.7)**	(4.0)
Adjustments relating to prior years	**0.6**	6.7
	(111.1)	2.7
Total tax (credit)/charge for the year	**(100.0)**	9.4

The 2025 current tax adjustments relating to prior years reflect adjustments which have been included in submitted tax returns and primarily relate to financing costs and capital allowances.

The Group works in an open and transparent manner and maintains a regular dialogue with HM Revenue and Customs. This approach is consistent with the 'low risk' rating we have been awarded by HM Revenue and Customs and to which the Group is committed.

The tax (credit)/charge for the year is lower (2024: lower) than the charge for the year derived by applying the standard rate of corporation tax in the UK of 25.0% (2024: 25.0%) to the profit before tax. The differences, which lead to an effective tax rate of (97.5)% (2024: 23.2%) are explained below:

	2025 £m	2024 £m
Profit before tax	**102.6**	40.6
Income tax at a rate of 25.0% (2024: 25.0%)	**25.6**	10.2
Expenses not deductible for tax purposes	**(1.7)**	0.2
Share of joint ventures and associates after tax	**0.9**	0.1
Tax credit arising from REIT conversion	**(123.6)**	–
Adjustment in respect of prior years	**(1.2)**	(1.1)
Amounts recognised in the income statement	**(100.0)**	9.4

As a result of conversion to REIT status, the Group has released £123.1m of deferred tax in respect of its Property Rental Business activities, including that related to unrealised gains on qualifying investment properties and capital allowances in respect of those properties. In addition, a £0.5m current tax saving has arisen in the period since conversion to REIT status, from the tax exempt income arising in that period.

At 30 September 2025 the Group had unrecognised capital losses of £13.3m (2024: £nil) available to offset against future chargeable gains, but which are not expected to be used, giving rise to an unrecognised deferred tax asset calculated at 25% of £3.3m (2024: £nil).

In addition to the above, a deferred tax credit of £0.7m (2024: £6.0m) was recognised within other comprehensive income comprising:

	2025 £m	2024 £m
Remeasurement of BPT Limited defined benefit pension scheme	**(0.1)**	(0.8)
Fair value movement in cash flow hedges	**(0.6)**	(5.2)
Amounts recognised in other comprehensive income	**(0.7)**	(6.0)

Deferred tax balances comprise temporary differences attributable to:

	2025 £m	2024 £m
Deferred tax assets		
Short-term temporary differences	**4.6**	6.1
	4.6	6.1
Deferred tax liabilities		
Trading property uplift to fair value on business combinations	**(3.0)**	(3.9)
Investment property revaluation	**(1.0)**	(93.8)
Short-term temporary differences	**(2.4)**	(21.9)
Fair value movement in financial interest in property assets	**(0.7)**	(0.2)
Actuarial gain on BPT Limited defined benefit pension scheme	**(0.2)**	(0.2)
Fair value movement in derivative financial instruments	**(0.9)**	(1.5)
	(8.2)	(121.5)
Total deferred tax	**(3.6)**	(115.4)

In addition to the tax amounts shown above, contingent tax based on EPRA market value measures, being tax on the difference between the carrying value of trading properties in the statement of financial position and their market value, has not been recognised by the Group. This contingent tax amounts to £60.6m, calculated at 25.0% (2024: £72.1m, calculated at 25.0%), and will be realised as the properties are sold.

It is not possible for the Group to identify the timing of movements in deferred tax between those expected within one year and those expected in a period greater than one year. This is because movements in the main balances, both assets and liabilities, will be determined by factors outside the control of the Group, namely the vacation date of properties and interest yield curve movements. However, we anticipate that the balance will predominantly be crystallised in a period greater than one year.

14. Dividends

Accounting policy

Dividends are recognised through equity when approved by the Company's Shareholders or on payment, whichever is earlier.

Dividends paid in the year are shown below:

	2025 £m	2024 £m
Ordinary dividends on equity shares:		
Final dividend for the year ended 30 September 2023 – 4.37p per share	–	**32.2**
Interim dividend for the year ended 30 September 2024 – 2.54p per share	–	**18.8**
Final dividend for the year ended 30 September 2024 – 5.01p per share	**37.0**	–
Interim dividend for the year ended 30 September 2025 – 2.85p per share	**21.1**	–
	58.1	**51.0**

Subject to approval at the AGM, the final dividend of 5.46p per share (gross) amounting to £40.4m will be paid on 20 February 2026 to Shareholders on the register at the close of business on the record date, 16 January 2026 (the shares will go ex-dividend on 15 January 2026). Shareholders will again be offered the option to participate in a dividend reinvestment plan and the last day for election is 30 January 2026. An interim dividend of 2.85p per share amounting to a total of £21.1m was paid to Shareholders on 7 July 2025.

15. Earnings per share

Accounting policy

Basic

Basic earnings per share is calculated by dividing the profit or loss attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Group and held both in Trust and as treasury shares to meet its obligations under which the dividends are being waived.

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of shares in issue by the dilutive effect of ordinary shares that the Company may potentially issue relating to its share option schemes and contingent share awards under the share based payment schemes, based upon the number of shares that would be issued if 30 September 2025 was the end of the contingency period. Where the effect of the above adjustments is antidilutive, they are excluded from the calculation of diluted earnings per share.

Notes to the financial statements continued

15. Earnings per share continued

	30 September 2025			30 September 2024		
	Profit for the year £m	Weighted average number of shares (millions)	Earnings per share (pence)	Profit for the year £m	Weighted average number of shares (millions)	Earnings per share (pence)
Basic earnings per share						
Profit attributable to equity holders	**202.6**	**738.8**	**27.4**	31.2	738.2	4.2
Effect of potentially dilutive securities						
Share options and contingent shares	**–**	**3.5**	**(0.1)**	–	3.3	–
Diluted earnings per share						
Profit attributable to equity holders	**202.6**	**742.3**	**27.3**	31.2	741.5	4.2

16. Investment property

Accounting policy

Property that is held for long-term rental yields or for capital appreciation, or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs.

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specified asset. If this information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Investment property falls within Level 3 of the fair value hierarchy as defined by IFRS 13. Further details are given in Note 27.

Subsequent expenditure is included in the carrying amount of the property when it is probable that the future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to the consolidated income statement during the financial period in which they are incurred.

Gains or losses arising from changes in the fair value of the Group's investment properties are included in the consolidated income statement of the period in which they arise.

When the Group begins to redevelop an existing trading property for continued future use as an investment property, the property is transferred to investment property and held as a non-current asset. The property is remeasured to fair value as at the date of the transfer with any gain or loss being taken to the income statement.

Investment property – held for sale

Where specific investment properties are expected to sell within the next 12 months, their fair value is shown under assets held for sale within current assets.

	2025 £m	2024 £m
Opening balance	**3,028.3**	2,948.9
Acquisitions	**20.0**	85.9
Capital expenditure – completed assets	**17.2**	13.9
Capital expenditure – assets under construction	**111.2**	161.2
Total additions	**148.4**	261.0
Disposals (Note 8)	**(81.9)**	(149.1)
Net valuation gains/(losses) on investment properties[1]	**29.5**	(32.5)
	3,124.3	3,028.3
Reclassifications to investment property – held for sale	**(64.9)**	(31.5)
Closing balance	**3,059.4**	2,996.8

1. Within the above are provisions for fire safety works. No potential recovery of these costs has been accounted for.

The basis of valuation of investment property, the use of external independent valuers, and the judgements and assumptions adopted by management are set out in Note 2 'Critical accounting estimates and judgements'. The valuation of investment property takes into account the prevailing market conditions as at the reporting date, including sustainability and climate related considerations associated with the properties.

The historical cost of the Group's investment property as at 30 September 2025 is £2,762.4m (2024: £2,700.9m). Direct repair and maintenance costs arising from investment property that generated rental income during the year were £5.8m (2024: £5.8m).

Within investment property are a number of assets held for sale at the reporting date, valued at £64.9m (2024: £31.5m). Held for sale properties are those that are for sale, where solicitors have been instructed, or where contracts have been exchanged. All investment properties which are held for sale are included within our PRS segment.

17. Property, plant and equipment

Accounting policy

Property, plant and equipment are stated at cost less residual value and depreciation and comprise office leases, fixtures, fittings and equipment. Depreciation is charged to the income statement on a straight-line basis over the estimated useful life ranging from 3–5 years, with office leases depreciated over the life of the lease.

18. Investment in associates

	2025 £m	2024 £m
Opening balance	**14.9**	15.8
Share of profit/(loss) for the year	**0.6**	(0.4)
Dividends paid in the year	**(0.3)**	(0.5)
Closing balance	**15.2**	14.9

The closing balance comprises share of net assets of £0.7m (2024: £0.4m) and net loans due from associates of £14.5m (2024: £14.5m). At the balance sheet date, there is no expectation of any material credit losses on loans due. As at 30 September 2025, the Group's interest in active associates was as follows:

	% of ordinary share capital held	Country of incorporation	Accounting period end
Vesta LP	20.0	UK	30 September

In relation to the Group's investment in associates, the aggregated assets, liabilities, revenues and profit or loss of associates is shown below:

2025 Summarised income statement

£m	**Vesta LP**
Net rental income and other income	**2.6**
Administration and other expenses	**(0.5)**
Operating profit	**2.1**
Revaluation loss on investment property	**0.8**
Profit before tax	**2.9**
Tax	**–**
Profit after tax	**2.9**

2025 Summarised statement of financial position

£m	**Vesta LP**
Investment property	**74.4**
Current assets	**2.5**
Total assets	**76.9**
Current liabilities	**(1.1)**
Non-current liabilities	**(72.5)**
Total liabilities	**(73.6)**
Net assets	**3.3**

2024 Summarised income statement

£m	Vesta LP
Net rental income and other income	2.7
Administration and other expenses	(0.5)
Operating profit	2.2
Revaluation gains on investment property	(4.5)
Loss before tax	(2.3)
Tax	–
Loss after tax	(2.3)

2024 Summarised statement of financial position

£m	Vesta LP
Investment property	72.7
Current assets	3.2
Total assets	75.9
Current liabilities	(1.2)
Non-current liabilities	(72.5)
Total liabilities	(73.7)
Net assets	2.2

Notes to the financial statements continued

19. Investment in joint ventures

	2025 £m	2024 £m
Opening balance	**76.4**	75.2
Share of loss for the year	**(4.3)**	(0.2)
Further investment[1]	**3.7**	–
Loans advanced to joint ventures	**1.7**	1.4
Closing balance	**77.5**	76.4

1. Grainger invested £3.7m into Connected Living London (BTR) Limited in the year (2024: £nil).

The closing balance comprises share of net assets of £46.1m (2024: £46.7m) and net loans due from joint ventures of £31.4m (2024: £29.7m). At the balance sheet date, there is no expectation of any material credit losses on loans due.

At 30 September 2025, the Group's interest in active joint ventures was as follows:

	% of ordinary share capital held	Country of incorporation	Accounting period end
Connected Living London (BTR) Limited	51	UK	30 September
Curzon Park Limited	50	UK	31 March
Lewisham Grainger Holdings LLP	50	UK	30 September

In relation to the Group's investment in joint ventures, the aggregated assets, liabilities, revenues and profit or loss are shown below:

2025 Summarised income statement

£m	Connected Living London (BTR) Limited	Curzon Park Limited	Lewisham Grainger Holdings LLP	Total
Administration and other expenses	**(0.3)**	**(0.8)**	**(0.1)**	**(1.2)**
Revaluation loss on investment property	**(7.3)**	**–**	**–**	**(7.3)**
Loss before tax	**(7.6)**	**(0.8)**	**(0.1)**	**(8.5)**
Tax	**–**	**–**	**–**	**–**
Loss after tax	**(7.6)**	**(0.8)**	**(0.1)**	**(8.5)**

2025 Summarised statement of financial position

Investment property	**89.7**	**–**	**13.9**	**103.6**
Current assets	**2.8**	**37.7**	**–**	**40.5**
Total assets	**92.5**	**37.7**	**13.9**	**144.1**
Current liabilities	**(0.6)**	**(38.6)**	**(14.3)**	**(53.5)**
Net assets	**91.9**	**(0.9)**	**(0.4)**	**90.6**

2024 Summarised income statement

£m	Connected Living London (BTR) Limited	Curzon Park Limited	Lewisham Grainger Holdings LLP	Total
Administration and other expenses	(0.2)	(0.1)	(0.1)	(0.4)
Loss before tax	(0.2)	(0.1)	(0.1)	(0.4)
Tax	–	–	–	–
Loss after tax	(0.2)	(0.1)	(0.1)	(0.4)

2024 Summarised statement of financial position

Investment property	90.5	–	11.8	102.3
Current assets	2.6	36.6	–	39.2
Total assets	93.1	36.6	11.8	141.5
Current liabilities	(0.8)	(36.8)	(12.1)	(49.7)
Net assets	92.3	(0.2)	(0.3)	91.8

20. Financial interest in property assets ('CHARM' portfolio)

Accounting policy

The CHARM portfolio is a financial interest in equity mortgages held by the Church of England Pensions Board as mortgagee.

It is accounted for under IFRS 9 and is measured at fair value through profit and loss.

It is initially recognised at fair value and subsequently carried at fair value. Subsequent to initial recognition, the net change in value recorded is as follows: i) cash received from the instrument in the year is deducted from the carrying value of the assets; and ii) the carrying value of the assets is revised to the net present value of the updated projected cash flows arising from the instrument using a market discount rate at the reporting date. The change in value arising from ii) above is recorded through the consolidated income statement and is shown on the line 'Income from financial interest in property assets'.

	2025 £m	2024 £m
Opening balance	**57.4**	67.0
Cash received from the instrument	**(9.9)**	(8.3)
Amounts taken to income statement	**1.1**	(1.3)
Closing balance	**48.6**	57.4

The CHARM portfolio is considered to be a Level 3 financial asset as defined by IFRS 13. The key assumptions used to value the asset are set out within Note 2 'Critical accounting estimates and judgements', and the financial asset is included within the fair value hierarchy within Note 27.

21. Intangible assets

Accounting policy

Intangible assets comprise computer software and goodwill.

Costs incurred in relation to computer software that the Group has exclusive right of use to are capitalised and amortised on a straight-line basis over the estimated useful lives of the assets from the date they are available for use. The effective life is assessed in accordance with the period that the Group expects benefits from its investment in technology to be consumed. Amortisation is charged to the consolidated income statement.

Costs incurred in relation to computer software that the Group does not have exclusive right of use to, including its Software as a Service ('SaaS') arrangements, are not accounted for as intangible assets. Configuration and customisation costs incurred prior to receiving services are prepaid and expensed to the Consolidated income statement once the service is in use. All other expenditure in relation to non-exclusive SaaS is expensed to the Consolidated income statement as incurred.

Goodwill is tested for impairment based on a value in use calculation at each reporting date.

22. Inventories – trading property

Accounting policy

Tenanted residential properties held-for-sale in the normal course of business within the PRS and Reversionary segments are shown in the financial statements as a current asset at the lower of cost and net realisable value. Cost includes legal and surveying charges and introducer fees incurred during acquisition together with improvement costs.

Legacy land and development property held within the Other segment of the business are shown in the financial statements at the lower of cost and net realisable value.

Cost represents the acquisition price including legal and other professional costs associated with the acquisition together with subsequent development costs net of amounts transferred to costs of sale.

Net realisable value is the expected sales proceeds that the Group expects on sale of a property or current market value net of associated selling costs.

	2025 £m	2024 £m
Opening balance	**331.6**	392.2
Additions	**11.9**	15.0
Disposals (Note 7)	**(45.5)**	(75.5)
Reversal of impairment/(impairment) of inventories to net realisable value	**0.6**	(0.1)
Closing balance	**298.6**	331.6

The closing balance above reflects the lower of historical cost and net realisable value of inventory owned by the Group rather than the current market value. Market value is considered to be a more relevant reflection of the value of inventory owned by the Group. The valuation of trading property in our EPRA NAV metrics take into account the prevailing market conditions as at the reporting date, including sustainability and climate related considerations associated with the properties.

The segmental allocation of PRS, Reversionary and Development inventory, as well as additional information including their market value is detailed in Note 4.

Information relating to the judgements and assumptions adopted by management in relation to inventories is set out in Note 2 'Critical accounting estimates and judgements'. It is not possible for the Group to identify which properties will be sold within the next 12 months. The size of the Group's property portfolio does result in a relatively predictable vacancy rate. However, it is not possible to predict in advance the specific properties that will become vacant. As the Group expects to realise trading property in its ordinary operating cycle, it is shown as a current asset in the consolidated statement of financial position.

Amounts relating to inventories that have been recognised as an expense in the consolidated income statement are as follows:

	2025 £m	2024 £m
Carrying value of trading property sold (Note 7)	**45.5**	75.5
Reversal of impairment/(impairment) of inventories to net realisable value	**(0.6)**	0.1

Notes to the financial statements continued

23. Trade and other receivables

Accounting policy

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment in trade receivables is established when there is an expectation of cash shortfalls over the expected life of the amounts due. The movement in the provision is recognised in the consolidated income statement.

	2025 £m	2024 £m
Rent and other tenant receivables	**4.5**	4.8
Deduct: Provision for impairment	**(1.6)**	(1.5)
Rent and other tenant receivables – net	**2.9**	3.3
Restricted deposits	**57.7**	63.3
Other receivables	**12.7**	19.3
Prepayments	**5.9**	5.0
Closing balance	**79.2**	90.9

The Group's assessment of expected credit losses involves estimation given its forward-looking nature. This is not considered to be an area of significant judgement or estimation due to the balance of gross rent and other tenant receivables of £4.5m (2024: £4.8m). Assumptions used in the forward-looking assessment are continually reviewed to take into account likely rent deferrals.

Restricted deposits arise from contracts with third parties that place restrictions on use of funds and cannot be accessed on demand. These deposits are held in connection with facility arrangements and are released by the lender on a quarterly basis once covenant compliance has been met.

The fair values of trade and other receivables are considered to be equal to their carrying amounts. The credit quality of financial assets that are neither past due nor impaired is discussed in Note 27 'Financial risk management and derivative financial instruments'.

24. Provisions for other liabilities and charges

Accounting policy

Provisions are recognised when: i) the Group has a present obligation as a result of a past event; ii) it is probable that an outflow of resources will be required to settle the obligation; and iii) a reliable estimate can be made of the amount of the obligation.

	2025 £m	2024 £m
Current provisions for other liabilities and charges		
Opening balance	**13.2**	8.6
Additions	**1.9**	5.0
Utilisation	**(3.1)**	(0.4)
	12.0	13.2
Non-current provisions for other liabilities and charges		
Opening balance	**1.0**	1.1
Reversal	**(0.3)**	–
Utilisation	**–**	(0.1)
	0.7	1.0
Total provisions for other liabilities and charges	**12.7**	14.2

Current provisions relate to potential fire safety remediation costs relating to a small number of legacy properties that Grainger historically had an involvement in developing and are expected to require fire safety related remediation works. These were first recognised in the year ended 30 September 2022 after an extensive assessment of the Group's legal and constructive obligations arising from the Building Safety Act 2022 and other associated fire regulations, and based on the results of relevant surveys which were commissioned. The provision is based on the latest estimation of costs to be incurred, offset by costs incurred to date. Where fire safety works are required and the Group owns the properties, the cost is considered as part of the valuation of those properties. Where appropriate, the Group is seeking recoveries from contractors and insurers.

25. Trade and other payables

Accounting policy

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Refer to Note 35 for accounting policy in relation to lease liabilities.

	2025 £m	2024 £m
Current liabilities		
Deposits received	**13.9**	12.8
Trade payables	**22.7**	19.0
Lease liabilities (Note 35)	**0.6**	0.7
Tax and social security costs	**0.8**	4.9
Accruals	**66.0**	64.5
Deferred income	**11.3**	12.2
	115.3	114.1
Non-current liabilities		
Lease liabilities (Note 35)	**5.7**	6.3
	5.7	6.3
Total trade and other payables	**121.0**	120.4

Within accruals, £46.0m comprises accrued expenditure in respect of ongoing construction activities (2024: £43.9m).

26. Interest-bearing loans and borrowings

Accounting policy

Borrowings are initially recognised at the fair value of consideration received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the consolidated statement of financial position date.

	2025 £m	2024 £m
Current liabilities		
Non-bank financial institution	**75.0**	–
	75.0	–
Non-current liabilities		
Bank loans – Pounds Sterling	**544.1**	548.2
Bank loans – Euros	**0.7**	0.8
Non-bank financial institution	**273.5**	347.9
Corporate bonds	**696.8**	696.0
	1,515.1	1,592.9
Total interest-bearing loans and borrowings	**1,590.1**	1,592.9

(a) Bank loans

Sterling bank loans include variable rate loans bearing interest at rates between 1.5% and 1.8% above SONIA and Euro bank loans include variable rate loans bearing interest at a rate of 1.6% above EURIBOR. Gross bank loans of £478.0m are due to mature in the year ended 30 September 2029, and £75.0m due to mature in the year ended 30 September 2030. At the year end, the Group had £229.7m drawn under its revolving credit facilities (RCFs) (2024: £234.8m).

The weighted average variable interest rate on bank loans as at 30 September 2025 was 5.6% (2024: 6.6%). Bank loans are secured by floating charges over specific property and other assets of the Group.

Unamortised costs in relation to bank loans of £8.2m (2024: £9.2m) will be amortised over the life of the loans to which they relate.

During the year the Group exercised options to extend the maturity dates on certain bank loans by one year. The extension of maturity dates has been deemed to be a non-substantial modification.

Notes to the financial statements continued

26. Interest-bearing loans and borrowings continued

(b) Non-bank financial institution

£350.0m is funded by fixed rates loans from Rothesay Life PLC across three tranches: £75.0m maturing July 2026, £75.0m maturing October 2027 and £200.0m maturing July 2029. Non-bank loans are secured by floating charges over specific property and other assets of the Group.

The weighted average interest rate on non-bank loans as at 30 September 2025 was 2.4% (2024: 2.4%). Unamortised costs in relation to these fixed rate loans of £1.6m (2024: £2.1m) will be amortised over the life of the loans to which they relate.

(c) Corporate bonds

In 2018, the Group issued a ten-year £350.0m corporate bond at 3.375% due April 2028. In 2020, the Group issued a ten-year £350.0m corporate bond at 3.0% due July 2030.

As at 30 September 2025 unamortised costs in relation to the corporate bonds stood at £1.9m (2024: £2.4m), and the outstanding discount was £1.3m (2024: £1.6m).

(d) Other loans and borrowings information

The above analyses of loans and borrowings are net of unamortised loan issue costs and the discount on issuance of the corporate bonds. As at 30 September 2025, unamortised costs totalled £11.7m (2024: £13.7m) and the outstanding discount was £1.3m (2024: £1.6m).

In accordance with IAS 7 Statement of Cash Flows, the Group is required to detail any changes in liabilities that arise from financing activities throughout the year. These changes are detailed below.

	2025				2024			
			Derivatives used for hedging the liabilities from financing activities				Derivatives used for hedging the liabilities from financing activities	
£m	Loans and borrowings	Interest payable	Assets	Liabilities	Loans and borrowings	Interest payable	Assets	Liabilities
Opening balance	**1,592.9**	**9.4**	**19.8**	**–**	1,533.5	9.3	45.3	–
Changes from financing cash flows								
Proceeds from loans and borrowings	**186.0**	**–**	**–**	**–**	244.0	–	–	–
Repayment of borrowings	**(191.2)**	**–**	**–**	**–**	(185.0)	–	–	–
Transaction costs related to loans, borrowings and derivatives	**(2.3)**	**–**	**5.1**	**–**	(2.8)	–	1.9	–
Total changes from financing cash flows	**(7.5)**	**–**	**5.1**	**–**	56.2	–	1.9	–
Other changes								
Gross interest accrued	**–**	**53.0**	**–**	**–**	–	52.7	–	–
Gross interest paid	**–**	**(53.3)**	**–**	**–**	–	(52.6)	–	–
Amortisation of borrowing costs net of premiums	**4.7**	**–**	**–**	**–**	3.2	–	–	–
Hedge ineffectiveness under IFRS 9	**–**	**–**	**(8.5)**	**–**	–	–	(6.6)	–
Changes in fair value of derivatives through hedging reserve	**–**	**–**	**(2.3)**	**–**	–	–	(20.8)	–
Total other changes	**4.7**	**(0.3)**	**(10.8)**	**–**	3.2	0.1	(27.4)	–
Closing balance	**1,590.1**	**9.1**	**14.1**	**–**	1,592.9	9.4	19.8	–

27. Financial risk management and derivative financial instruments

Accounting policy

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Deposits that cannot be accessed and have restrictions on use arising from contracts with third parties are reflected in trade and other receivables.

Derivative financial instruments

The Group uses derivative instruments to help manage its interest rate risk. In accordance with its treasury policy, the Group does not hold or issue derivatives for trading purposes. Derivatives are classified as current assets and current liabilities.

The derivatives are recognised initially at fair value. Subsequently, the gain or loss on re-measurement to fair value is recognised immediately in the consolidated income statement, unless the derivatives qualify for cash flow hedge accounting, and have been designated as such, in which case any gain or loss is taken to equity in a cash flow hedge reserve via other comprehensive income.

In order to qualify for hedge accounting, the Group is required to document in advance the relationship between the item being hedged and the hedging instrument. The Group is also required to demonstrate that the hedge will be highly effective on an ongoing basis. This effectiveness testing is re-performed at each period end to ensure that the hedge remains highly effective.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time is immediately transferred to the consolidated income statement.

Fair value estimation

The fair values of interest rate derivatives are based on a discounted cash flow model using market information.

Derecognition of financial assets and liabilities

Derecognition is the point at which the Group removes an asset or liability from its consolidated statement of financial position. The Group's policy is to derecognise financial assets only when the contractual right to the cash flows from the financial asset expires. The Group also derecognises financial assets that it transfers to another party provided that the transfer of the asset also transfers the right to receive cash flows from the financial asset. When the transfer does not result in the Group transferring the right to receive cash flows from the financial asset but it does result in the Group assuming a corresponding obligation to pay cash flows to another recipient, the financial asset is derecognised.

The Group derecognises financial liabilities only when its obligation is discharged, is cancelled or expires.

Financial assets classified as fair value through profit and loss (previously available-for-sale) are the financial interest in property assets.

Derivative financial instruments not in hedge accounting relationships are classified as fair value through profit and loss.

Categories of financial instruments

A summary of the classifications of the financial assets and liabilities held by the Group is set out in the following table:

	2025						
£m	Loans and receivables/ cash and cash equivalents	Assets at fair value through profit and loss	Derivatives used for hedging	Other financial assets	Total book value	Fair value adjustment	Fair value
Non-current assets							
Financial interest in property assets	–	48.6	–	–	48.6	–	48.6
Current assets							
Trade and other receivables excluding prepayments	73.3	–	–	–	73.3	–	73.3
Cash and cash equivalents	85.8	–	–	–	85.8	–	85.8
Derivative financial instruments	–	–	14.1	–	14.1	–	14.1
Total financial assets	159.1	48.6	14.1	–	221.8	–	221.8

£m	Loans and receivables/ cash and cash equivalents	Liabilities at fair value through profit and loss	Derivatives used for hedging	Other financial liabilities at amortised cost	Total book value	Fair value adjustment	Fair value
Non-current liabilities							
Trade and other payables	–	–	–	5.7	5.7	–	5.7
Interest-bearing loans and borrowings	–	–	–	1,515.1	1,515.1	(65.7)	1,449.4
Current liabilities							
Trade and other payables	–	–	–	115.3	115.3	–	115.3
Interest bearing loans and borrowings	–	–	–	75.0	75.0	–	75.0
Total financial liabilities	–	–	–	1,711.1	1,711.1	(65.7)	1,645.4
Net financial assets/(liabilities)	159.1	48.6	14.1	(1,711.1)	(1,489.3)	65.7	(1,423.6)

Notes to the financial statements continued

27. Financial risk management and derivative financial instruments continued

	2024						
£m	Loans and receivables/ cash and cash equivalents	Assets at fair value through profit and loss	Derivatives used for hedging	Other financial assets	Total book value	Fair value adjustment	Fair value
Non-current assets							
Financial interest in property assets	–	57.4	–	–	57.4	–	57.4
Current assets							
Trade and other receivables excluding prepayments	85.9	–	–	–	85.9	–	85.9
Cash and cash equivalents	93.2	–	–	–	93.2	–	93.2
Derivative financial instruments	–	–	19.8	–	19.8	–	19.8
Total financial assets	179.1	57.4	19.8	–	256.3	–	256.3
£m	Loans and receivables/ cash and cash equivalents	Liabilities at fair value through profit and loss	Derivatives used for hedging	Other financial liabilities at amortised cost	Total book value	Fair value adjustment	Fair value
Non-current liabilities							
Trade and other payables	–	–	–	6.3	6.3	–	6.3
Interest-bearing loans and borrowings	–	–	–	1,592.9	1,592.9	(98.1)	1,494.8
Current liabilities							
Trade and other payables	–	–	–	114.1	114.1	–	114.1
Total financial liabilities	–	–	–	1,713.3	1,713.3	(98.1)	1,615.2
Net financial assets/(liabilities)	179.1	57.4	19.8	(1,713.3)	(1,457.0)	98.1	(1,358.9)

The fair value difference relates to the Group's corporate bonds and the non-bank loans, which are stated at amortised cost in the consolidated statement of financial position. The fair value of the bonds is calculated as £653.2m (2024: £632.8m) based on quoted prices in traded markets. The fair value of the non-bank loans is calculated as £331.1m (2024: £319.1m) and is calculated by independent financial advisers (Centrus Group) by reference to quoted iBoxx index rates. There is no requirement under IFRS 9 to revalue these loans to fair value in the consolidated statement of financial position.

Included in cash above is £16.7m (2024: £16.4m) relating to cash held on behalf of tenants, leaseholders and clients comprising service charge and sinking fund balances, tenant deposits and cash held on behalf of joint ventures. These cash amounts are held by the Group in client bank accounts and are excluded from net debt. In addition, £3.4m (2024: £4.9m) of the cash balance is restricted in use, either by underlying financing arrangements or other commercial agreements comprising either reserve fund amounts or amounts where the release of cash is contingent upon proof of qualifying expenditure or quarterly cash waterfalls.

Financial risk management

The Group's objectives for managing financial risk are to minimise the risk of adverse effects on performance and to ensure the ability of the Group to continue as a going concern while securing access to cost effective finance and maintaining flexibility to respond quickly to opportunities that arise.

The Group's policies on financial risk management are approved by the Board of Directors and implemented by Group treasury. Written policies and procedures cover interest rate risk, credit risk, the use of derivative and non-derivative financial instruments and investment of excess liquidity. Group treasury regularly reports to the Audit Committee.

The Group uses derivative financial instruments to hedge its exposure to financial risk but does not take positions for speculative purposes.

The sources of financial risk and the policies and activities used to mitigate each are discussed below and include credit risk, liquidity risk and market risk, which includes interest rate risk, credit availability risk, house price risk in relation to the Tricomm Housing portfolio and our financial interest in property assets, and capital risk.

Financial risk factors

1) Credit risk

Credit risk is the risk of financial loss due to a counterparty's failure to honour its obligations. The Group's principal financial assets include its financial interest in property assets, bank balances and cash, trade and other receivables and derivative financial instruments. The carrying amount of financial assets recorded in the financial statements represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

The Group's financial interest in property assets (CHARM) relates to a financial interest in equity mortgages held by the Church of England Pensions Board. The Group's cash receipts are payable by the Church Commissioners, a counterparty considered to be low risk as they have no history of past due or impaired amounts and there are no past due amounts outstanding at the year end.

The Group sometimes enters into land sales contracts under which a proportion of the consideration is deferred and recognised within other receivables (Note 23). Each purchaser is subject to financial due diligence prior to sale. At 30 September 2025, £5.4m (2024: £5.2m) was outstanding.

The Group also has credit risk relating to trade receivables. Under IFRS 9, the Group is required to provide for any expected credit losses arising from trade receivables. For all assured shorthold tenancies, credit checks are performed prior to acceptance of the tenant. Regulated tenants are incentivised through the benefit of their tenancy agreement to avoid default on their rent. Lifetime tenancies are generally at low or zero rent and hence suffer minimal credit risk. Rent deposits and personal guarantees are held in respect of some leases. Taking these factors into account, the risk to the Group of individual tenant default and the credit risk of trade receivables are considered low, as is borne out by the low level of trade receivables written off both in this year and in prior years.

Tenant deposits of £11.8m (2024: £11.6m) are held that provide some security against rental arrears and property dilapidations caused by the tenant. The Group does not hold any other collateral as security. Of the net trade receivables balance of £2.9m, we consider £nil to be not due and not impaired. All of the £11.6m other receivables balance are considered not due and not impaired.

As at 30 September 2025 tenant arrears of £1.6m within trade receivables were impaired and fully provided for (2024: £1.5m). The impaired receivables are based on a review of expected credit losses, which is detailed in Note 23. Impaired receivables and receivables not considered to be impaired are not material to the financial statements and, therefore, no further analysis is provided.

The credit risk on liquid funds and derivative financial instruments is managed through the Group's policies of monitoring counterparty exposure, monitoring the concentration of credit risk through the use of multiple counterparties and the use of counterparties of good financial standing. At 30 September 2025, the fair value of all interest rate derivatives that had a positive value was £14.1m (2024: £19.8m).

At 30 September 2025, the combined credit exposure arising from cash held at banks, money market deposits and interest rate swaps was £99.9m (2024: £133.0m), which represents 2.6% (2024: 3.0%) of total assets. Deposits were placed with financial institutions with A- or better credit ratings.

The Group has the following cash and cash equivalents:

	2025 £m	2024 £m
Pounds Sterling	**85.1**	92.4
Euros	**0.7**	0.8
	85.8	93.2

At the year end, £56.1m was placed on deposit (2024: £61.4m) at effective interest rates between 1.5% and 4.6% (2024: 1.5% and 4.6%). Remaining cash and cash equivalents are held as cash at bank or in hand. The Group has an overdraft facility of £1.0m as at 30 September 2025 (2024: £1.0m).

2) Liquidity risk

The Group ensures that it maintains continuity and flexibility through a spread of maturities.

Although the Group's core funding is subject to covenants requiring certain levels of LTV with respect to the entities in the Group of obligors, and to maintaining a certain level of interest cover at the Group level, the loans are not secured directly against any property allowing operational flexibility.

The Group ensures that it maintains sufficient cash for operational requirements at all times. The Group also ensures that it has sufficient undrawn committed borrowing facilities from a diverse range of banks and other sources to allow for operational flexibility and to meet committed expenditure. The business is highly cash generative from its sales of vacant properties, gross rents and management fees. In adverse trading conditions, tenanted and other sales can be increased and new acquisitions can be stopped. Consequently, the Group is able to reduce gearing (LTV) levels and improve liquidity quickly.

The Group's credit rating is currently provided by Fitch and S&P. Fitch and S&P's most recent assessments on the Group were issued in January 2025. Fitch assigned the Group a long-term issuer default rating of 'BBB-' and the Group's Corporate Bonds' senior secured issue ratings of 'BBB'. S&P affirmed the Group's long-term issuer default rating of 'BB+' and the Group's Corporate Bonds' senior secured issue ratings of 'BBB-'. Both Fitch & S&P assigned the Group's credit outlook as 'Stable'. The Group's stable credit outlook suggests there is currently very little risk of a credit rating downgrade to the Group. The Group monitors rating agency metrics to ensure we maintain or improve upon the Group's current credit ratings.

In the event of a credit rating downgrade, there may be an increase in the coupon payable on the Group's Corporate Bonds should the senior secured issue rating fall below BBB-. This could result in an increase in the Group's annual interest charge of £8.7m. However, the coupon would revert to the original coupon payable should the credit rating recover to BBB- or higher. This increase in interest costs would also affect the Group's interest cover financial covenant. However, there is significant headroom on our facility financial covenants and the Group has determined that we would remain compliant and retain significant covenant headroom despite this increase in interest costs. No other debt facilities or financial covenants of the Group would be affected by a credit rating downgrade.

Notes to the financial statements continued

27. Financial risk management and derivative financial instruments continued

Certain borrowings and facilities are structured as ESG funding comprising of either green loans or sustainability-linked finance. As at the year end, £175m of the Group's facilities are linked to ESG requirements of which £50m are designated as green loans and £125m are sustainability-linked finance. Green loan allocations are made on a use-of-proceeds basis where investment outcomes are expected to achieve certain minimum EPC ratings. Sustainability-linked facilities include targets to achieve certain EPC targets in the Group's PRS portfolio. As at the year end, the green loans were fully allocated, and all targets under the sustainability-linked facilities are being met. Achieving these targets results in the Group receiving a margin benefit on borrowings under their respective loans and facilities. In the event of not achieving a target, the Group may experience a similar margin penalty. As at the year end, the maximum possible penalty for missing a target could result in a further finance charge of less than £0.1m.

The Group's fixed rate borrowings are stated at amortised cost in the financial statements and there is currently no requirement under IFRS 9 to revalue these borrowings in the financial statements of the Group. Therefore, there would be no impact to the Group's measurement of borrowings in the event of a credit rating downgrade.

In accordance with IFRS 13, the Group measures derivatives at fair value including the effect of counterparty credit risk. Where derivatives have been designated in a cash flow hedge relationship, the Group carries out hedge effectiveness testing in accordance with IFRS 9. In the event of a credit rating downgrade, there may be an impact on the fair value of the Group's derivative contracts as the credit quality of the Group decreases which may give rise to a requirement to recognise some hedge ineffectiveness in the financial statements. However, in accordance with hedge effectiveness requirements under IFRS 9, credit valuation adjustments included in the measurement of derivative fair values would need to dominate movements in fair value before creating hedge ineffectiveness. The Group does not consider that a credit rating downgrade will impact derivative fair values and give rise to a material level of hedge ineffectiveness.

The following table analyses the Group's financial liabilities and net-settled derivative financial liabilities at the consolidated statement of financial position date into relevant maturity groupings based on the remaining period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows using yield curves as at 30 September 2025.

£m	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
At 30 September 2025					
Interest-bearing loans and borrowings (Note 26)	**75.0**	**–**	**1,515.1**	**–**	**1,590.1**
Interest on borrowings	**60.7**	**58.2**	**109.0**	**–**	**227.9**
Interest on derivatives	**(7.1)**	**(3.6)**	**(0.5)**	**–**	**(11.2)**
Trade and other payables	**115.3**	**0.7**	**2.3**	**2.7**	**121.0**
At 30 September 2024					
Interest-bearing loans and borrowings (Note 26)	–	75.0	1,167.9	350.0	1,592.9
Interest on borrowings	64.1	58.9	151.0	10.5	284.5
Interest on derivatives	(11.3)	(5.2)	(5.6)	–	(22.1)
Trade and other payables	114.1	0.9	1.7	3.7	120.4

The Group's undrawn committed borrowing facilities are monitored against projected cash flows.

Maturity of committed undrawn borrowing facilities

	2025 £m	2024 £m
Expiring:		
Between one and two years	**–**	–
Between two and five years	**467.0**	436.8
Over five years	**–**	–
	467.0	436.8

3) Market risk

The Group is exposed to market risk through interest rates, the availability of credit and house price movements relating to the Tricomm Housing portfolio and the CHARM portfolio. The approach the Group takes to each of these risks is set out below. The Group is not significantly exposed to equity price risk or to commodity price risk.

Fair values

IFRS 13 sets out a three-tier hierarchy for financial assets and liabilities valued at fair value. These are as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – unobservable inputs for the asset or liability.

The following table presents the Group's assets and liabilities that are measured at fair value:

£m	2025 Assets	2025 Liabilities	2024 Assets	2024 Liabilities
Level 3				
CHARM	**48.6**	**–**	57.4	–
Investment property[1]	**3,124.3**	**–**	3,028.3	–
	3,172.9	**–**	3,085.7	–
Level 2				
Interest rate swaps – in cash flow hedge accounting relationships	**14.1**	**–**	19.8	–
	14.1	**–**	19.8	–

1. Includes investment property – held for sale.

The significant unobservable inputs affecting the carrying value of the CHARM portfolio are house price inflation and discount rates. Assumptions used are detailed in Note 2 and a reconciliation of movements and amounts recognised in the consolidated income statement are detailed in Note 20.

The investment valuations provided by Allsop LLP and CBRE Limited are based on the RICS Professional Valuation Standards, but include a number of unobservable inputs and other valuation assumptions and are detailed in Note 2.

The fair value of swaps and caps were valued in-house by a specialised treasury management system, using a discounted cash flow model and market information. The fair value is derived from the present value of future cash flows discounted at rates obtained by means of the current yield curve appropriate for those instruments. As all significant inputs required to value the swaps and caps are observable, they all fall within Level 2.

Interest rate swaps and caps are all classified as either current assets or current liabilities.

The notional principal amount of the outstanding interest rate swap and cap contracts as at 30 September 2025 was £550.7m (2024: £476.6m).

In accordance with IFRS 9, the Group has reviewed its interest rate hedges. In the absence of hedge accounting, movements in fair value are taken directly to the consolidated income statement. However, where cash flow hedges have been viewed as being effective, and have been designated as such, any gains or losses have been taken to the cash flow hedge reserve via other comprehensive income.

The reconciliation between opening and closing balances for Level 3 is detailed in the table below:

Assets – Level 3	2025 £m	2024 £m
Opening balance	**3,085.7**	3,015.9
Amounts taken to income statement	**30.6**	(33.8)
Other movements	**56.6**	103.6
Closing balance	**3,172.9**	3,085.7

The following assets and liabilities are excluded from the above table as fair value is not the accounting basis for the Group's financial statements, but is the basis for the Group's EPRA NRV, EPRA NTA and EPRA NDV measures:

£m	Accounting basis	Classification if fair valued	2025 Book value	2025 Fair value	2024 Book value	2024 Fair value
Inventories – trading property	Lower of cost and net realisable value	Level 3	**298.6**	**541.0**	331.6	620.1
Corporate bonds	Amortised cost	Level 1	**700.0**	**653.2**	700.0	632.8
Non-bank loans	Amortised cost	Level 3	**350.0**	**331.1**	350.0	319.1

(a) Interest rate risk

The Group's interest rate risk arises from the risk of fluctuations in interest charges on floating rate borrowings. The Group mitigates this risk through the use of variable to fixed interest rate swaps and caps. This subjects the Group to fair value risk as the value of the financial derivatives fluctuates in line with variations in interest rates. However, the Group seeks to cash flow hedge account where applicable. The Group is, however, driven by commercial considerations when hedging its interest rate risk and is not driven by the strict requirements of the hedge accounting rules under IFRS 9 if this is to the detriment of achieving the best commercial arrangement.

Hedging activities are carried out under the terms of the Group's hedging policies and are regularly reviewed by the Board to ensure compliance with this policy. The Board reviews its policy on interest rate exposure regularly with a view to establishing that it is still relevant in the prevailing and forecast economic environment. The current Group treasury policy is to maintain floating rate exposure of no greater than 30% of expected borrowing. As at 30 September 2025, 100% (2024: 95%) of the Group's gross borrowings were economically hedged to fixed or capped rates.

Based on the Group's interest rate profile at the statement of financial position date, a 1% rise in interest rates would decrease annual profits by £nil (2024: £0.6m). Similarly, a 1% fall would increase annual profits by £nil (2024 £0.6m).

Notes to the financial statements continued

27. Financial risk management and derivative financial instruments continued

Based on the Group's interest rate profile at the statement of financial position date, a 1% increase in interest rates would increase the Group's equity by £7.0m (2024: £9.3m). Similarly, a 1% fall would decrease the Group's equity by £7.0m (2024: £9.3m).

Upward movements in medium and long-term interest rates, associated with higher interest rate expectation, increase the value of the Group's interest rate swaps that provide protection against such moves. The converse is true for downward movements in the interest yield curve. Where the Group's swaps qualify as effective hedges under IFRS 9, these movements in fair value are recognised directly in other comprehensive income rather than the consolidated income statement.

As at 30 September 2025, the market value of derivatives designated as cash flow hedges under IFRS 9 is a net asset of £14.1m (2024: £19.8m). £8.5m is recognised within the income statement for ineffectiveness of cash flow hedges (2024: £6.6m). The fair value movement on derivatives not in hedge accounting relationships resulted in a charge of £nil (2024: £nil) in the consolidated income statement.

At 30 September 2025, the market value of derivatives not designated as cash flow hedges under IFRS 9 is £nil (2024 £nil). The cash flows occur and enter in the determination of profit and loss until the maturity of the hedged debt.

The table below summarises debt hedged:

Hedged debt

	2025 £m	2024 £m
Hedged debt maturing:		
Within one year	**–**	–
Between one and two years	**–**	–
Between two and five years	**550.7**	476.6
Over five years	**–**	–
	550.7	476.6

Interest rate profile – including the effect of derivatives and amortisation of issue costs:

	2025					2024				
	Weighted average interest rate %	**Average maturity years[1]**	**Sterling £m**	**Euros £m**	**Gross debt total £m**	Weighted average interest rate %	Average maturity years	Sterling £m	Euros £m	Gross debt total £m
Fixed rate	**3.1**	**3.4**	**1,050.0**	**–**	**1,050.0**	3.1	4.4	1,050.0	–	1,050.0
Hedged rate	**3.6**	**3.6**	**550.7**	**–**	**550.7**	3.2	4.8	476.6	–	476.6
Variable rate	**5.5**	**3.6**	**1.6**	**0.7**	**2.3**	6.9	4.8	80.7	0.8	81.5
	3.3	**3.5**	**1,602.3**	**0.7**	**1,603.0**	3.3	4.5	1,607.3	0.8	1,608.1

1. Average maturity years excluding extension options. Including extension options, with the extension to be mutually agreed between the Group and the lenders, the average maturity is 3.9 years (2024: 4.7 years).

At 30 September 2025, the fixed interest rates on the interest rate swap contracts vary from 1.00% to 2.30% (2024: 1.00% to 2.30%); the weighted average rates are shown in the table above.

(b) Credit availability risk

Credit availability risk relates to the Group's ability to refinance its borrowings at the end of their terms or to secure additional financing where necessary. The Group maintains relationships with a diverse range of lenders and maintains sufficient headroom through cash and committed borrowings. On 30 September 2025, the Group had available headroom of £532.5m, with the next debt maturity not until July 2026.

(c) House price risk

The cash flows arising from the Group's financial interest in property assets (CHARM) and the Tricomm Housing portfolio are related to the movement in value of the underlying property assets and, therefore, are subject to movements in house prices. However, consistent with the Group's approach to house price risk across its portfolio of trading and investment properties, the Group does not seek to eliminate this risk as it is a fundamental part of the Group's business model.

(d) Capital risk management

The Board manages the Group's capital through the regular review of: cash flow projections; the ability of the Group to meet contractual commitments; covenant tests; dividend cover; and gearing (LTV). The current capital structure of the Group comprises a mix of debt and equity. Debt is typically both current and non-current interest-bearing loans and borrowings as set out in the consolidated statement of financial position. Equity comprises issued share capital, reserves and retained earnings as set out in the consolidated statement of changes in equity.

Group loans and borrowings have associated covenant requirements with respect to LTV and ICR. The covenants operate on a facility by facility basis, with maximum LTV ranges between 70% – 75% and minimum ICR cover of 1.35x – 1.75x. As at 30 September 2025, the minimum headroom based on individual facilities is a 9.0% increase in LTV and 47.0% reduction in ICR. At the year end, Group LTV was 38.4% (see page 123 for calculation) and Group ICR was 3.2x.

The Board regularly reviews all current and projected future levels to monitor anticipated compliance and available headroom against key thresholds. LTV is reviewed in the context of the Board's view of markets, the prospects of, and risks relating to, the portfolio and the recurring cash flows of the business and deems the current level to be appropriate.

The Group monitors its cost of debt and Weighted Average Cost of Capital (WACC) on a regular basis. At 30 September 2025, the weighted average cost of debt was 3.3% (2024: 3.3%). Investment and development opportunities are evaluated using a risk adjusted WACC in order to ensure long-term Shareholder value is created.

28. Pension costs

Accounting policy

i) Defined contribution pension scheme – Obligations for contributions to defined contribution pension schemes are recognised as an expense in the income statement in the period to which they relate.

ii) Defined benefit pension scheme – The Group currently has a defined benefit pension scheme that was closed to new members and future accrual of benefits in 2003. The scheme is currently in surplus.

An actuarial valuation of the scheme is carried out every three years. The cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each consolidated statement of financial position date by a qualified actuary, for the purpose of determining the amounts to be reflected in the Group's financial statements under IAS 19.

The defined benefit obligation is valued by projecting the best estimate of future benefit outgoings (allowing for revaluation to retirement for deferred members and annual pension increases in payment for all members) and then discounting to the consolidated statement of financial position date.

The pension scheme assets comprise investments in cash managed by Rathbones Investment Management Limited, the Trustees' bank account, and insurance policies managed by Aviva. These assets are measured at fair value in the statement of financial position.

The amount shown in the statement of financial position is the net of the present value of the defined benefit obligation and the fair value of the scheme assets. When there is a surplus the Group considers the requirements of IFRIC 14 and whether there is economic benefit available as a refund of this surplus, or through a reduction in future contributions. When an unconditional right to future economic benefit exists, there is no restriction on the amount of surplus recognised.

There are no current service costs as the scheme is closed to new members and future accrual. The net interest amount, calculated by applying the discount rate to the net defined benefit liability, is reflected in the income statement each year.

Actuarial gains and losses net of deferred income tax are reflected in other comprehensive income each year.

(a) Defined contribution scheme

The Group operates a defined contribution pension scheme for its employees. The assets of the scheme are held separately from those of the Group in independently administered funds. The Group has no legal or constructive obligations to pay further contributions if the funds do not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Pension arrangements for Directors are disclosed in the report of the Remuneration Committee and the Directors' Remuneration report on pages 100 to 119. The pension cost charge in these financial statements represents contributions payable by the Group.

The charge of £1.9m (2024: £1.7m) is included within employee remuneration in Note 10.

Notes to the financial statements continued

28. Pension costs continued

(b) Defined benefit scheme

In addition to the above, the Group also operates a final salary defined benefit pension scheme, the BPT Retirement Benefits Scheme. The assets of the scheme are held separately in funds administered by Trustees and are invested with Rathbones Investment Management Limited, an independent investment manager. Pension benefits are linked to the members' final pensionable salaries and service at their retirement date (or date of leaving if earlier). The Trustees are responsible for running the scheme in accordance with the scheme's trust deed and rules, which sets out their powers. The Trustees of the scheme are required to act in the best interests of the beneficiaries of the scheme. There is a requirement that at least one-third of the Trustees are nominated by the members of the scheme.

There are three categories of pension scheme members:

- Active members: currently employed by the Group. No benefits have accrued since 30 June 2003, although active members retain a final salary link.
- Deferred members: former employees of the Group.
- Pensioner members: in receipt of pension.

The defined benefit obligation is valued by projecting the best estimate of future benefit outgoings (allowing for revaluation to retirement for deferred members and annual pension increases in payment for all members) and then discounting to the consolidated statement of financial position date. In the period up to retirement, benefits receive increases linked to Consumer Prices Index ('CPI') inflation (subject to a cap of no more than 5% p.a.). After retirement, benefits receive fixed increases of 5% p.a. The valuation method used is known as the Projected Unit Credit Method. The approximate overall duration of the scheme's defined benefit obligation as at 30 September 2025 was 12 years.

The IAS 19 calculations for disclosure purposes have been based upon the results of the actuarial valuation carried out as at 1 July 2022, updated to 30 September 2025, by a qualified independent actuary.

i) Principal actuarial assumptions under IAS 19 (p.a.)

	2025 %	2024 %
Discount rate	**5.8**	5.0
Retail Price Index ('RPI') inflation	**3.0**	3.3
Consumer Prices Index ('CPI') inflation	**2.3**	2.6
Rate of increase of pensions in payment	**5.0**	5.0

ii) Demographic assumptions

	2025	2024
Mortality tables for pensioners	**S3PA base tables CMI 2024 mortality projections 1.25% p.a. long-term rate**	S3PA base tables CMI 2023 mortality projections 1.25% p.a. long-term rate
Mortality tables for non-pensioners	**As for pensioners**	As for pensioners

iii) Life expectancies

	30 September 2025		30 September 2024	
	Male	Female	Male	Female
Life expectancy for a current 60-year-old (years)	**86**	**89**	86	89
Life expectancy at age 60 for an individual aged 45 (years)	**87**	**90**	87	90

Risks

During the prior year, the Trustees de-risked the scheme from risks including changes in bond yields, asset volatility, credit risk, inflation risk, and changes in life expectancy. The Trustees used scheme assets previously invested in bonds to purchase an annuity policy that fully matches all previously uninsured liabilities.

During the year ended 30 September 2025, 100% of scheme liabilities are matched by the scheme's annuity policies and future fluctuations in the value of those liabilities will be offset by the policies held as scheme assets. This arrangement is known as a pension buy-in.

Market value of scheme assets

The assets of the scheme are invested in a diversified portfolio as follows:

	30 September 2025		30 September 2024	
	Market value £m	**% of total scheme assets**	Market value £m	% of total scheme assets
Bonds	**–**	**–**	1.0	4
Cash	**6.3**	**26**	5.5	20
Insurance policies	**18.3**	**74**	20.5	76
Total value of assets	**24.6**	**100**	27.0	100
The actual return on assets over the year was:	**(0.6)**		0.2	

The assets of the scheme are held with Rathbones Investment Management Limited in a managed fund. All of the assets listed have a quoted market price in an active market with the exception of the insurance policy asset where its value has been set equal to the secured pensioner liability.

The change in the market value of the scheme assets over the year was as follows:

	2025 £m	2024 £m
Market value of scheme assets at the start of the year	**27.0**	28.6
Interest income	**1.2**	1.5
Employer contributions	**–**	–
Administration expenses paid	**(0.2)**	(0.5)
Actuarial return on assets less interest	**(1.9)**	(1.3)
Benefits paid	**(1.5)**	(1.3)
Market value of scheme assets at the end of the year	**24.6**	27.0

The change in value of the defined benefit obligation over the year was as follows:

	2025 £m	2024 £m
Value of defined benefit obligation at the start of the year	**20.5**	19.0
Interest on pension scheme liabilities	**1.0**	1.0
Remeasurement of changes in financial assumptions	**(1.6)**	1.8
Benefits paid	**(1.5)**	(1.3)
Value of defined benefit obligation at the end of the year	**18.4**	20.5

Amounts recognised in the consolidated statement of comprehensive income:

	2025 £m	2024 £m
Actuarial return on assets less interest	**(1.9)**	(1.3)
Remeasurement of defined benefit obligation	**1.6**	(1.8)
	(0.3)	(3.1)

The loss shown in the above table of £0.3m (2024: £3.1m) has been included in the consolidated statement of comprehensive income on page 133.

The surplus is recognised because the Group considers there is economic benefit available through a reduction in future contributions or the eventual return of the surplus.

Future funding obligation

The Trustees are required to carry out an actuarial valuation every three years. The last actuarial valuation of the scheme was performed by the Actuary for the Trustees as at 1 July 2022. This valuation revealed a funding shortfall of £nil and as a result of this valuation, the Group agreed to cease the existing recovery plan and pay no additional contributions.

Sensitivity analysis

Set out below is an analysis of how the scheme deficit would vary with changes to the key actuarial assumptions:

Discount rate movement of 0.25% p.a.	Increase/(decrease) in deficit of £0.5m/(£0.5m)
Life expectancies movement of one year	Increase/(decrease) in deficit of £0.8m/(£0.8m)

Notes to the financial statements continued

29. Issued share capital

Accounting policy

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Acquisition of and investment in own shares

The Group acquires its own shares to enable it to meet its obligations under the various share schemes in operation. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own shares. The acquisition cost of the shares is debited to an investment in own shares reserve within retained earnings.

Where the Group buys back its own shares as treasury shares it adopts the accounting as described above. Where it subsequently cancels them, issued share capital is reduced by the nominal value of the shares cancelled and this same amount is transferred to the capital redemption reserve.

Issue of share capital

	2025 £m	2024 £m
Allotted, called-up and fully paid:		
743,115,308 (2024: 743,109,586) ordinary shares of 5p each	**37.2**	37.2

The Group paid £0.1m (2024: £0.1m) to the Share Incentive Plan during the year for the purchase of matching shares and free shares in the scheme. The total cost of acquiring own shares of £0.1m (2024: £0.1m) has been deducted from retained earnings within Shareholders' equity.

As at 30 September 2025, share capital included 2,345,900 with a market value at 30 September 2025 of £4.5m (2024: 3,316,840, market value £8.0m) shares held by The Grainger Employee Benefit Trust and 1,506,300 with a market value at 30 September 2025 of £2.9m (2024: 1,506,300, market value £3.8m) shares held by Grainger plc as treasury shares. The total of these shares is 3,852,200 (2024: 4,823,140) with a nominal value of £192,610 (2024: £241,157) and a market value as at 30 September 2025 of £7.5m (2024: £11.8m).

Movements in issued share capital during the year and the previous year were as follows:

	Number	Nominal value £'000
At 30 September 2023	743,042,056	37,152
Options exercised under the SAYE scheme (Note 30)	67,530	3
At 30 September 2024	**743,109,586**	**37,155**
Options exercised under the SAYE scheme (Note 30)	**5,722**	**–**
At 30 September 2025	**743,115,308**	**37,155**

30. Share-based payments

Accounting policy

The Group operates a number of equity-settled, share-based compensation plans comprising awards under a Long-Term Incentive Plan ('LTIP'), a Deferred Bonus Plan ('DBP'), a Deferred Bonus Share Plan ('DBSP'), a Share Incentive Plan ('SIP') and a Save As You Earn ('SAYE') scheme. The fair value of the employee services received in exchange for the grant of shares and options is recognised as an employee expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares and options granted.

For market-based conditions, the probability of vesting is taken into account in the fair value calculation and no revision is made for the number of shares or options expected to vest. For non-market conditions, each year the Group revises its estimate of the number of options or shares that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the consolidated income statement with a corresponding adjustment to equity.

Awards that are subject to a market-based performance condition are valued at fair value using the Monte Carlo simulation model. Awards not subject to a market-based performance condition are valued at fair value using the Black-Scholes valuation model.

When share based payment obligations are satisfied by the issue of new shares, the proceeds received, net of any directly attributable transaction costs, are credited to share capital (nominal value) and share premium.

Share awards

Award date	LTIP 18 December 2024 Market-based	LTIP 18 December 2024 Non-market-based	DBSP 18 December 2024	DBP 18 December 2024	SAYE 08 July 2025 3-year scheme
Number of shares on grant	**483,988**	**1,129,305**	**312,133**	**79,843**	**335,556**
Exercise price (£)	–	–	–	–	1.73
Vesting period from date of grant (years)	3	3	3	1-3	3
Exercise period after vesting (years)	7	7	3	3	–
Share price at grant (£)	2.25	2.25	2.25	2.25	2.08
Expected risk free rate (%)	4.2	4.2	N/A	N/A	3.8
Expected dividend yield (%)	N/A	N/A	3.8	3.8	3.8
Expected volatility (%)	24.7	24.7	N/A	N/A	25.8
Fair value (£)	**1.07**	**2.25**	**2.25**	**2.25**	**0.48**

The expected volatility figures used in the valuation were calculated based on the historical volatility over a period equal to the expected term from the date of grant.

The share-based payments charge recognised in the consolidated income statement is £3.6m (2024: £2.8m).

(a) LTIP scheme

For the LTIP awards granted in FY25, the LTIP performance period is the three financial years commencing at the beginning of the financial year in which the grant date fell (i.e the three year period to the end of FY27). 30% of these awards are subject to an absolute Total Shareholder Return performance condition, 30% are subject to Total Property Income Return, 30% are subject to achieving Secured PRS Investment targets, and the final 10% are subject to achieving carbon emissions performance conditions.

For the awards granted in FY24, the LTIP performance period is the three financial years commencing at the beginning of the financial year in which the grant date fell (i.e the three year period to the end of FY26). 30% of these awards are subject to an absolute Total Shareholder Return performance condition, 30% are subject to Total Property Income Return, 30% are subject to achieving Secured PRS Investment targets, and the final 10% are subject to achieving carbon emissions performance conditions

For the awards granted in FY23, the LTIP performance period was the three financial years commencing at the beginning of the financial year in which the grant date fell (i.e the three year period to the end of FY25). 33% of the awards were subject to an absolute Total Shareholder Return performance condition, 33% were subject to Total Property Return, and the final 33% were subject to achieving Secured PRS Investment targets.

The movement in LTIP awards during the year is as follows:

Awards	Opening balance	Awards granted	Awards vested	Awards lapsed	Closing balance
LTIP					
6 February 2020	274,231	–	(274,231)	–	–
10 December 2020	138,974	–	(27,708)	–	111,266
11 October 2021[1]	333,020	–	(246,677)	–	86,343
16 December 2021	828,407	–	(102,051)	(458,433)	267,923
28 September 2022	61,712	–	(27,597)	(34,115)	–
12 December 2022	1,264,686	–	–	–	1,264,686
11 December 2023	1,263,756	–	–	–	1,263,756
18 December 2024	–	1,613,293	–	–	1,613,293
Total	4,164,786	**1,613,293**	**(678,264)**	**(492,548)**	**4,607,267**

1. The grant of LTIP awards on 11 October 2021 was made to Rob Hudson as replacement of awards made by his previous employer. See Note 8 of the remuneration report on page 91 of the September 2021 year Annual Report and Accounts for further details.

(b) DBSP, DBP and EDBP schemes

Awards granted under the DBSP relate to the compulsory deferral of 25% of any bonus paid to Executive Directors as described in the Remuneration Committee report. Shares granted in this scheme have no further performance conditions other than continued employment. There is a three-year vesting period from the date of grant, after which time participants can choose to exercise their awards.

Awards granted under the DBP scheme relate to the compulsory deferral of 25% of any bonus paid to other senior managers and have no specific performance conditions other than employees in the scheme continuing to be employed. There is a three-year vesting period from the date of grant. One-third of the awards vest at the end of each year. Participants can choose to exercise their awards on vesting or to retain their awards within the plan until the end of the third year at which point a 50% matching element is added to their award entitlement.

Notes to the financial statements continued

30. Share-based payments continued

In addition to the DBP scheme, an enhanced DBP scheme ('EDBP') operated until December 2023. The enhanced scheme operates in exactly the same way as the normal DBP scheme except that if participants retain their awards within the plan until the end of the fifth year, a further additional 50% matching award is added to their award entitlement. Awards under the DBSP/DBP/EDBP have been valued based on the share price at the date of the award less the dividend yield at the award date as there is no entitlement to dividends during the vesting period.

The movement in DBSP/DBP/EDBP awards during the year is as follows:

Awards	Opening balance	Awards granted	Awards exercised	Awards lapsed	Closing balance
DBSP					
1 December 2019	16,429	**–**	**(16,429)**	**–**	**–**
10 December 2020	43,397	**–**	**(43,397)**	**–**	**–**
16 December 2021	95,314	**–**	**(95,314)**	**–**	**–**
12 December 2022	218,255	**–**	**–**	**–**	**218,255**
11 December 2023	231,858	**–**	**–**	**–**	**231,858**
18 December 2024	–	**312,133**	**–**	**–**	**312,133**
DBP					
16 December 2021	31,970	**–**	**(29,291)**	**–**	**2,679**
12 December 2022	52,019	**–**	**–**	**–**	**52,019**
11 December 2023	56,240	**–**	**–**	**–**	**56,240**
18 December 2024	–	**79,843**	**–**	**–**	**79,843**
EDBP					
21 December 2017	8,218	**–**	**(8,218)**	**–**	**–**
17 December 2018	7,030	**–**	**(7,030)**	**–**	**–**
17 December 2019	42,700	**–**	**(31,088)**	**–**	**11,612**
10 December 2020	50,108	**–**	**(6,208)**	**–**	**43,900**
16 December 2021	17,864	**–**	**–**	**–**	**17,864**
12 December 2022	23,460	**–**	**–**	**–**	**23,460**
11 December 2023	20,340	**–**	**–**	**–**	**20,340**
Total	915,202	**391,976**	**(236,975)**	**–**	**1,070,203**

(c) SAYE share option scheme

Awards under the SAYE scheme have been valued at fair value using a Black-Scholes valuation model. The number of shares subject to options as at 30 September 2025, the periods in which they were granted and the periods in which they may be exercised and the movement during the year are given below:

	Exercise price (pence)[1]	Exercise period	Opening balance	Awards granted	Awards exercised	Awards lapsed/ cancelled	Closing balance
SAYE							
2019	193.0	2022-25	7,771	**–**	**(3,108)**	**(4,663)**	**–**
2020	245.0	2023-26	39,179	**–**	**–**	**(7,346)**	**31,833**
2021	234.0	2024-27	52,114	**–**	**(2,614)**	**(37,962)**	**11,538**
2022	248.0	2025-28	65,686	**–**	**–**	**(50,843)**	**14,843**
2023	203.0	2026-29	422,304	**–**	**–**	**(211,253)**	**211,051**
2024	200.0	2027-30	169,117	**–**	**–**	**(104,143)**	**64,974**
2025	173.0	2028-31	–	**335,556**	**–**	**(10,606)**	**324,950**
			756,171	**335,556**	**(5,722)**	**(426,816)**	**659,189**
Weighted average exercise price (pence per share)			210	**173**	**212**	**210**	**191**

1. Exercise prices have been adjusted to reflect the impact of the 2019 rights issue.

For those share options exercised during the year, the weighted average share price at the date of exercise was 238.5p (2024: 227.2p). For share options outstanding at the end of the year, the weighted average remaining contractual life was 1.9 years (2024: 2.1 years). There were 45,467 (2024: 47,065) share options exercisable at the year end with a weighted average exercise price of 245.9p (2024: 246.2p).

(d) SIP scheme

Awards under the SIP scheme have been based on the share price at the date of the award.

31. Changes in equity

The consolidated statement of changes in equity is shown on page 135. Further information relating to reserves is provided below. Movements on the retained earnings reserve are set out in Note 32.

(a) Merger reserve

The merger reserve arose when the Company issued shares in partial consideration for the acquisition of City North Group plc in the year ended 30 September 2005. The issue satisfied the provisions of Section 612 of the Companies Act 2006 (formerly Section 131 of the Companies Act 1985) and the premium relating to the shares issued was credited to a merger reserve.

(b) Cash flow hedge reserve

The fair value movements on those derivative financial instruments qualifying for hedge accounting under IFRS 9 are taken to this reserve net of tax.

32. Movement in retained earnings

The retained earnings reserve comprises various elements, including:

Treasury shares bought back and cancelled

Included within retained earnings at 30 September 2025 is a balance of £7.8m (2024: £7.8m) relating to treasury shares bought back and cancelled.

Investment in own shares

Included within retained earnings at 30 September 2025 is a balance of £0.6m (2024: £0.6m) relating to investments in own shares.

33. List of subsidiaries, joint ventures and associates

A full list of all subsidiaries, joint ventures, associates and other related undertakings as at 30 September 2025 is set out in the Notes to the parent Company financial statements on pages 175 and 179.

The following subsidiaries will take advantage of the audit exemption set out within Section 479A of the Companies Act 2006 for the year ended 30 September 2025.

Company	Companies House registered number
Atlantic Metropolitan (U.K.) Limited	01628078
BPT (Bradford Property Trust) Limited	00252992
BPT (Residential Investments) Limited	00359346
BPT Limited	00229269
Bromley Property Holdings Limited	04132693
Bromley Property Investments Limited	04066391
Crossco (No. 103) Limited	02929000
Derwent Developments (Curzon) Limited	05887266
Derwent Developments Limited	01899218
Faside Estates Limited	SC019680
Grainger (Brook Place 2) Limited	15672916
Grainger (Exmouth Junction) Limited	15984036
Grainger (Hallsville Block D1) Limited	12170837
Grainger (Hallsville Residential) Limited	14669820
Grainger (Hallsville) Limited	11834099
Grainger (Hornsey) Limited	04810257
Grainger (Octavia Hill) Limited	05654027
Grainger (YP 2) Limited	16138950
Grainger Asset Management Limited	04417232
Grainger Bradley Limited	08324941
Grainger Development Management Limited	03146573
Grainger Developments Limited	06061419
Grainger Employees Limited	05019636
Grainger Finance (Tricomm) Limited	08451352

Company	Companies House registered number
Grainger Housing & Developments Limited	02018842
Grainger Invest No.1 Limited Liability Partnership	OC312947
Grainger Invest No.2 Limited Liability Partnership	OC317919
Grainger Kensington & Chelsea Limited	08151345
Grainger Maidenhead Limited	03709575
Grainger Newbury Limited	03904336
Grainger OCCC Limited	07557656
Grainger Properties Limited	03910945
Grainger RAMP Limited	07560835
Grainger Real Estate Limited	04170173
Grainger Residential Management Limited	04974627
Grainger PRS Limited	05789357
Grainger Seven Sisters Limited	06111428
Grainger Treasury Property Investments Limited Partnership	LP011846
Grainger Treasury Property (2006) Limited Liability Partnership	OC325497
Grainger Tribe Limited	11055318
GRIP UK Property Developments Limited	10626824
Margrave Estates Limited	00332564
MREF III Newcastle Operations Limited	10606762
PHA Limited	06734419
West Waterlooville Developments Limited	03047254

The parent Company has guaranteed the debts and liabilities of the above subsidiaries as at 30 September 2025 in accordance with Section 479C of the Companies Act 2006. The parent company has assessed the probability of loss under the guarantees as remote.

Notes to the financial statements continued

34. Related party transactions

During the year ended 30 September 2025, the Group transacted with its associates and joint ventures (details of which are set out in Notes 18 and 19). The Group provides a number of services to its associates and joint ventures. These include property and asset management services for which the Group receives fee income. The related party transactions recognised in the income statement and statement of financial position are as follows:

£'000	2025 Fees recognised	2025 Year end balance	2024 Fees recognised	2024 Year end balance
Connected Living London (BTR) Limited	**557**	**343**	735	870
Lewisham Grainger Holdings LLP	**140**	**653**	226	513
Vesta LP	**804**	**216**	811	214
	1,501	**1,212**	1,772	1,597

	2025 Interest recognised £'000	2025 Year end loan balance £m	2025 Interest rate %	2024 Interest recognised £'000	2024 Year end loan balance £m	2024 Interest rate %
Curzon Park Limited	**–**	**18.1**	**Nil**	–	18.1	Nil
Lewisham Grainger Holdings LLP	**921**	**13.2**	**5.8**	1,196	11.5	11.0
Vesta LP	**–**	**14.5**	**Nil**	–	14.5	Nil
	921	**45.8**		1,196	44.1	

Details of the Group's other related parties are provided in Note 10 in relation to key management compensation and Note 28 in relation to the Group's retirement benefit pension scheme.

35. Leases

Accounting policy

i) Group as lessor – Rental income from operating leases is recognised on a straight-line basis over the lease term. The net present value of ground rents receivable is, in the opinion of the Directors, immaterial. Accordingly, ground rents receivable are taken to the consolidated income statement on a straight-line basis over the period of the lease. Properties leased out to tenants are included in the consolidated statement of financial position as either investment property or as trading property under inventories.

ii) Group as lessee – The Group occupies a number of its offices as a lessee. The net present value of the lease liabilities is recorded in the consolidated statement of financial position within trade and other payables. The leased office space is included in the consolidated statement of financial position as a right-of-use asset in property, plant and equipment and depreciated over the life of the lease.

(a) Group as lessor

The future aggregate undiscounted lease payments due to the Group under non-cancellable operating leases are as follows:

	2025 £m	2024 £m
Operating lease payments due:		
Not later than one year	**51.6**	42.4
Greater than one year but less than two years	**5.3**	3.4
Greater than two years but less than three years	**4.7**	2.8
Greater than three years but less than four years	**4.0**	2.4
Greater than four years but less than five years	**1.4**	1.8
Greater than five years	**67.3**	68.7
	134.3	121.5

There are no contingent rents recognised within net rental income in 2025 or 2024 relating to properties where the Group acts as a lessor of assets under operating leases. The Group's non-cancellable operating leases exclude regulated tenancies. Under these agreements, tenants have the right to remain in a property for the remainder of their lives. Should the tenant require the lease to be cancelled for any reason, they are able to do so generally with immediate effect, in which case we take vacant possession for subsequent disposal of the property. As such, regulated tenancies are excluded from the above analysis.

(b) Group as lessee

The future aggregate lease payments payable by the Group under non-cancellable operating leases are as follows:

	2025 £m	2024 £m
Operating lease payments due:		
Not later than one year	**0.6**	0.7
Later than one year and not later than five years	**3.0**	2.5
Later than five years	**2.7**	3.8
	6.3	7.0

Leases relating to office space used by the Group have initial terms of varying lengths, between one and ten years. Rent reviews generally take place every five years.

36. Contingent liabilities

Properties in certain subsidiary companies form a 'guarantee group' with a market value of £2,392.7m and provide the security for the Group's core debt facility and Corporate Bonds.

Barclays Bank PLC and Lloyds Bank PLC have provided guarantees under performance bonds. As at 30 September 2025, total guarantees amounted to £4.0m (2024: £3.2m).

37. Capital commitments

The Group has current commitments under a number of its BTR projects. The Group's commitments, including its relevant share of commitments to joint ventures and associates, are as follows:

	2025 £m	2024 £m
Wholly-owned Group subsidiaries	**227.0**	303.7
	227.0	303.7

Parent company statement of financial position and statement of changes in equity
As at 30 September

	Notes	2025 £m	2024 £m
Fixed assets			
Investments	2	**2,567.2**	2,594.0
Current assets			
Trade and other receivables	3	**107.8**	88.4
Cash at bank and in hand		**52.3**	58.1
		160.1	146.5
Creditors: amounts falling due within one year	4	**(8.6)**	(8.6)
Net current assets		**151.5**	137.9
Total assets less current liabilities		**2,718.7**	2,731.9
Creditors: amounts falling due after more than one year			
Interest-bearing loans and borrowings	5	**(908.3)**	(832.5)
NET ASSETS		**1,810.4**	1,899.4
Capital and reserves			
Issued share capital	6	**37.2**	37.2
Share premium account		**817.9**	817.9
Capital redemption reserve		**0.3**	0.3
Retained earnings		**955.0**	1,044.0
TOTAL EQUITY		**1,810.4**	1,899.4

The loss for the year for the Company was £34.4m (2024: £404.4m profit).

The financial statements on pages 174 to 179 were approved by the Board of Directors on 19 November 2025 and were signed on their behalf by:

Helen Gordon
Director

Rob Hudson
Director

Company registration number: 00125575

Parent company statement of changes in equity

	Issued share capital £m	Share premium £m	Capital redemption reserve £m	Retained earnings £m	Total equity £m
Balance as at 1 October 2023	37.2	817.8	0.3	687.9	1,543.2
Profit for the year	–	–	–	404.4	404.4
Award of SAYE shares	–	0.1	–	–	0.1
Purchase of own shares	–	–	–	(0.1)	(0.1)
Share-based payments charge	–	–	–	2.8	2.8
Dividends paid	–	–	–	(51.0)	(51.0)
Balance as at 30 September 2024	**37.2**	**817.9**	**0.3**	**1,044.0**	**1,899.4**
Loss for the year	**–**	**–**	**–**	**(34.4)**	**(34.4)**
Award of SAYE shares	**–**	**–**	**–**	**–**	**–**
Purchase of own shares	**–**	**–**	**–**	**(0.1)**	**(0.1)**
Share-based payments charge	**–**	**–**	**–**	**3.6**	**3.6**
Dividends paid	**–**	**–**	**–**	**(58.1)**	**(58.1)**
Balance as at 30 September 2025	**37.2**	**817.9**	**0.3**	**955.0**	**1,810.4**

The notes on pages 175 to 179 form part of the financial statements.

Notes to the parent company financial statements

1. Company accounting policies

(a) Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101'). The financial statements have been prepared on a going concern basis under the historical cost convention, in accordance with the Companies Act 2006.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of UK-adopted international accounting standards (IFRS), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The exemptions that have been applied in the preparation of these financial statements are as follows:

- A cash flow statement and related notes have not been presented.
- Disclosures in respect of new standards and interpretations that have been issued but which are not yet effective have not been provided.
- Disclosures in respect of transactions with wholly-owned subsidiaries have not been made.
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instruments: Disclosures have not been made.
- Paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based payment (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined).
- The requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures to disclose key management personnel compensation.

The Company has taken the exemption allowed under Section 408 of the Companies Act 2006 from the requirement to present its own profit and loss account. The loss for the year was £34.4m (2024: £404.4m profit). These financial statements present information about the Company as an individual undertaking and not about its Group.

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the Company's financial statements.

(b) Going concern

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Company has net assets of £1,810.4m at 30 September 2025 and has generated a loss for the period then ended of £34.4m. The Directors of Grainger plc manage the Group's strategy and risks on a consolidated basis, rather than at an individual entity level. Similarly, the financial and operating performance of the business is assessed at a Grainger plc operating segment level. For these reasons, the Directors do not prepare cash flow forecasts at an individual entity level.

In making the going concern assessment, on a consolidated basis, the Directors have considered the Group's principal risks and their impact on financial performance. The Directors have assessed the future funding commitments of the Group and compared these to the level of committed loan facilities and cash resources over the medium term. In making this assessment, consideration has been given to compliance with borrowing covenants along with the uncertainty inherent in future financial forecasts and, where applicable, severe sensitivities have been applied to the key factors affecting financial performance for the Group.

Further details of the Group's going concern assessment, including the key assumptions applied, is set out in Note 1(a) on page 137.

Based on these considerations, the Directors continue to adopt a going concern basis in preparing the financial statements for the year ended 30 September 2025.

(c) Investments

Investments in subsidiaries are carried at historical cost less provision for impairment based upon an assessment of the net recoverable amount of each investment. Historical cost represents the fair value of consideration payable by the Company to acquire investments, with the majority of such acquisitions relating to share capital allotted to the Company by directly held subsidiaries due to capitalisation of intragroup liabilities in those subsidiaries. This forms part of ongoing simplification of the Group structure and settlement of intragroup balances, which lead to the increase in investments in subsidiaries. Such acquisitions result in nil impact on the net assets position of the Company.

The net recoverable amount is determined by the statutory net assets of the subsidiary, adjusted for fair value movements relating to trading property which is held at cost, as well as an associated deferred tax charge on the fair value adjustments. This approach provides the most relevant indication of the net recoverable amount of a subsidiary as it provides a fair value net asset position as at the date of assessment. To the extent that the assessment of the recoverable amount improves due to changes in economic conditions or estimates, impairment provisions are reversed, with all provision movements recognised in profit and loss.

Notes to the parent company financial statements continued

1. Company accounting policies continued

(d) Tax

Corporation tax is provided on taxable profits or losses at the current rate.

Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the end of the reporting period, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at that date.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is measured on a non-discounted basis.

(e) Own shares including treasury shares

Transactions of The Grainger Employee Benefit Trusts are included in the Company's financial statements. The purchase of shares in the Company by each trust and any treasury shares bought back by the Company are debited direct to equity.

(f) Share-based payments

Under the share-based compensation arrangements set out in Note 30 to the Group financial statements, employees of Grainger Employees Limited have been awarded options and conditional shares in the Company. These share-based arrangements have been treated as equity-settled in the consolidated financial statements. In the Company's financial statements, the share-based payment charge has been added to the cost of investment in subsidiaries with a corresponding adjustment to equity.

(g) Borrowings

Borrowings are initially recognised at the fair value of consideration received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

2. Investments

Cost of investment	**2025 £m**	2024 £m
At 1 October	**4,241.4**	3,758.6
Additions	**5.1**	482.8
At 30 September	**4,246.5**	4,241.4

Impairment	**2025 £m**	2024 £m
At 1 October	**1,647.4**	1,422.7
Additional provisions	**45.5**	246.3
Reversal of impairment provisions	**(13.6)**	(21.6)
At 30 September	**1,679.3**	1,647.4
Net carrying value	**2,567.2**	2,594.0

The Directors believe that the carrying value of the investments is supported by their recoverable amount which reflects the fair value of the property portfolio. The recoverable amount is not regarded as a significant estimate in itself as it is based on the underlying valuation of the property portfolio. The impact of changes to key assumptions to the valuation of the property portfolio is shown in Note 2 of the Group financial statements.

After an assessment of recoverable amounts a net impairment of £31.9m (2024: £224.7m) has been made. The most significant element of the overall net impairment was an impairment of £44.8m which resulted from a reduction in the net assets of BPT Limited, as part of REIT related intragroup restructuring, together with that company's subsidiary undertakings.

A list of the subsidiaries of the Company is contained within Note 9 on pages 178 and 179.

3. Trade and other receivables

	2025 £m	2024 £m
Amounts owed by Group undertakings	**107.7**	88.2
Other receivables	**0.1**	0.2
	107.8	88.4

Amounts due in both 2025 and 2024 are all due within one year. The Company's assessment of expected credit losses on amounts owed by Group undertakings is not considered to be an area of significant judgement or estimation due to sufficient liquidity in the Group. As such, there is no expectation of any material credit losses at the balance sheet date.

4. Creditors: amounts falling due within one year

	2025 £m	2024 £m
Accruals and deferred income	**8.6**	8.6
	8.6	8.6

5. Interest-bearing loans and borrowings

	2025 £m	2024 £m
Variable rate – loans	**215.0**	140.0
Unamortised issue costs	**(3.5)**	(3.5)
	211.5	136.5
Corporate bonds	**700.0**	700.0
Unamortised issue costs	**(1.9)**	(2.4)
	698.1	697.6
Unamortised bond discount	**(1.3)**	(1.6)
Total interest-bearing loans and borrowings	**908.3**	832.5

The variable rate loans are secured by floating charges over the assets of the Group. The loans bear interest at rates between 1.5% and 1.8% over SONIA.

In 2018, the Group issued a ten-year £350.0m corporate bond at 3.375% due April 2028. In 2020, the Group issued a ten-year £350.0m corporate bond at 3.0% due July 2030.

As at 30 September 2025 unamortised costs in relation to the corporate bonds stood at £1.9m (2024: £2.4m), and the outstanding discount was £1.3m (2024: £1.6m).

6. Issued share capital

	2025 £m	2024 £m
Allotted, called-up and fully paid:		
743,115,308 (2024: 743,109,586) ordinary shares of 5p each	**37.2**	37.2

Details of movements in issued share capital during the year and the previous year are provided in Note 29 to the Group financial statements on page 168.

Details of share options and awards granted by the Company are provided in Note 30 to the Group financial statements on pages 168 to 170 and discussed within the Remuneration Committee's report on pages 100 to 119.

7. Contingent liabilities

The Company has guaranteed the debts and liabilities of certain of its subsidiaries as at 30 September 2025 in accordance with Section 479C of the Companies Act 2006 as detailed in Note 33 to the Group financial statements on page 171. The Company has assessed the probability of loss under the guarantees as remote.

8. Other information

Dividends

The Company's dividend policy is aligned to our strategy to grow rental income, with an equivalent of 50% of net rental income being distributed. Around one-third of the payment is made through the interim dividend based on half year results, with the balance paid through the final dividend, subject to approval at the AGM. The Company has distributable reserves of £912.4m to support this policy. Information on dividends paid and declared is given in Note 14 to the Group financial statements on page 151.

Subject to approval at the AGM, the final dividend of 5.46p per share (gross) amounting to £40.4m will be paid on 20 February 2026 to Shareholders on the register at the close of business on 16 January 2026. Shareholders will again be offered the option to participate in a dividend reinvestment plan and the last day for election is 30 January 2026. An interim dividend of 2.85p per share amounting to a total of £21.1m was paid to Shareholders on 7 July 2025.

Auditor's remuneration

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements.

Directors' share options and share awards

Details of the Directors' share options and of their share awards are set out in the Remuneration Committee's report.

Notes to the parent company financial statements continued

9. List of subsidiaries, associates and joint ventures

A full list of the Group's subsidiaries as at 30 September 2025 is set out below:

Company	% effective holding	Direct/ Indirect
Broxden House, Lamberkine Drive, Perth, PH1 1RA		
Faside Estates Limited	100%	Indirect
Citygate, St James' Boulevard, Newcastle upon Tyne, NE1 4JE		
19 Ifield Road Management Limited[2]	67%	Indirect
36 Finborough Road Management Limited[2]	100%	Indirect
Atlantic Metropolitan (U.K.) Limited	100%	Direct
BPT (Assured Homes) Limited	100%	Indirect
BPT (Bradford Property Trust) Limited	100%	Indirect
BPT (Residential Investments) Limited	100%	Indirect
BPT Limited	100%	Direct
Berewood Estate Management Limited[1,2]	100%	Indirect
Brierley Green Management Company Limited[2]	100%	Indirect
Bromley Property Holdings Limited[2]	100%	Direct
Bromley Property Investments Limited[2]	100%	Indirect
Cambridge Place Management Company Limited[2]	100%	Indirect
Chrisdell Limited[2]	100%	Indirect
City North 5 Limited[2]	100%	Indirect
City North Group Limited[2]	100%	Direct
City North Properties Limited[2]	100%	Indirect
Connected Living London Limited	100%	Indirect
Crofton Estate Management Company Limited[2]	100%	Indirect
Crossco (No. 103) Limited	100%	Indirect
Derwent Developments (Curzon) Limited	100%	Indirect
Derwent Developments Limited	100%	Indirect
Frincon Holdings 1986 Limited[2]	100%	Indirect
GIP Limited	100%	Indirect
Globe Brothers Estates Limited[2]	100%	Indirect
Grainger (Aldershot) Limited	100%	Indirect
Grainger (Brook Place 2) Limited	100%	Indirect
Grainger (Clapham) Limited	100%	Indirect
Grainger (Exmouth Junction) Limited	100%	Indirect
Grainger (Hallsville) Limited	100%	Indirect
Grainger (Hallsville Block D1) Limited	100%	Indirect
Grainger (Hallsville Residential) Limited	100%	Indirect
Grainger (Hornsey) Limited	100%	Indirect
Grainger (London) Limited[2]	100%	Direct
Grainger (Octavia Hill) Limited	100%	Indirect
Grainger (Peachey) Limited[2]	100%	Indirect
Grainger (Seraphina Resi) Limited	100%	Indirect
Grainger (YP 2) Limited[2]	100%	Indirect
Grainger Asset Management Limited	100%	Indirect
Grainger Bradley Limited	100%	Indirect
Grainger Development Management Limited	100%	Indirect
Grainger Developments Limited	100%	Indirect
Grainger Employees Limited	100%	Direct
Grainger Enfranchisement No. 1 (2012) Limited[2]	100%	Indirect
Grainger Enfranchisement No. 2 (2012) Limited[2]	100%	Indirect
Grainger Europe (No. 3) Limited[2]	100%	Indirect
Grainger Europe (No. 4) Limited	100%	Direct
Grainger Europe Limited[2]	100%	Direct
Grainger Finance (Tricomm) Limited	100%	Indirect
Grainger Finance Company Limited	100%	Direct
Grainger Homes (Gateshead) Limited[2]	100%	Indirect
Grainger Homes Limited[2]	100%	Indirect
Grainger Housing & Developments Limited	100%	Indirect
Grainger Invest (No. 1 Holdco) Limited	100%	Indirect
Grainger Invest No.1 Limited Liability Partnership	100%	Indirect
Grainger Invest No.2 Limited Liability Partnership	100%	Indirect
Grainger Kensington & Chelsea Limited	100%	Direct
Grainger Land & Regeneration Limited	100%	Indirect
Grainger Maidenhead Limited	100%	Indirect
Grainger Newbury Limited	100%	Indirect
Grainger OCCC Limited	100%	Indirect
Grainger Pearl Holdings Limited	100%	Indirect
Grainger Pearl Limited	100%	Indirect
Grainger Pearl (Salford) Limited	100%	Indirect
Grainger Properties Limited	100%	Indirect
Grainger PRS Limited	100%	Indirect
Grainger RAMP Limited	100%	Indirect
Grainger Real Estate Limited	100%	Indirect
Grainger REIT 1 Limited[2]	100%	Indirect
Grainger REIT 2 Limited[2]	100%	Indirect
Grainger REIT 3 Limited[2]	100%	Indirect
Grainger Residential Limited	100%	Indirect
Grainger Residential Management Limited	100%	Direct
Grainger Seven Sisters Limited	100%	Indirect
Grainger Southwark Limited	100%	Indirect
Grainger Treasury Property Investments Limited Partnership	100%	Indirect
Grainger Treasury Property (2006) Limited Liability Partnership	100%	Indirect
Grainger Tribe Limited	100%	Indirect
Grainger Trust Limited	100%	Indirect
Grainger Unitholder No 1 Limited[2]	100%	Direct
Greit Limited[2]	100%	Direct
GRIP REIT PLC	100%	Indirect
GRIP UK Holdings Limited	100%	Indirect
GRIP UK Property Developments Limited	100%	Indirect
GRIP UK Property Investments Limited	100%	Indirect
H I Tricomm Holdings Limited[2]	100%	Indirect
Harborne Tenants Limited[2]	100%	Indirect
Infrastructure Investors Defence Housing (Bristol) Limited[2]	100%	Indirect
Ingleby Court Management Limited[2]	100%	Indirect
Kings Dock Mill (Liverpool) Management Company Limited[1,2]	100%	Indirect
Macaulay & Porteus Management Company Limited[1,2]	100%	Indirect
Manor Court (Solihull) Management Limited[2]	100%	Indirect
Margrave Estates Limited	100%	Indirect
MREF III Newcastle Operations Limited	100%	Indirect
N & D London Investments[2]	100%	Indirect
N & D London Limited[2]	100%	Indirect
Northumberland & Durham Property Trust Limited	100%	Indirect
PHA Limited	100%	Indirect
Portland House Holdings Limited[2]	100%	Indirect
Residential Leases Limited[2]	100%	Indirect
Residential Tenancies Limited[2]	100%	Indirect
Rotation Finance Limited[2]	100%	Direct
Suburban Homes Limited[2]	100%	Indirect
The Bradford Property Trust Limited[2]	100%	Indirect

Company	% effective holding	Direct/ Indirect
Citygate, St James' Boulevard, Newcastle upon Tyne, NE1 4JE		
Tricomm Housing (Holdings) Limited	100%	Indirect
Tricomm Housing Limited	100%	Indirect
Victoria Court (Southport) Limited[2]	100%	Indirect
Warren Court Limited[2]	100%	Indirect
West Waterlooville Developments Limited	100%	Indirect

Company	% effective holding	Direct/ Indirect
218 Finney Lane, Heald Green, Cheadle, SK8 3QA		
Oakleigh House (Sale) Management Company Limited	62%	Indirect

A full list of the Group's associates as at 30 September 2025 is set out below:

Company	% effective holding	Direct/ Indirect
8 Cathedral Road, Cardiff, CF11 9LJ		
Capital Quarter (Western Courtyard) Cardiff Management Limited	33%	Indirect
5a Coleherne Road, London, SW10 9BS		
5 Coleherne Road Management Limited	25%	Indirect
8 Five Acres, Kings Langley, Hertfordshire, WD4 9JU		
Trevor Square Garden Management Company Limited	7%	Indirect
31 Radipole Road, Parsons Green, Fulham, London, SW6 5DN		
Stagestar Limited[2]	25%	Indirect
Citygate, St James' Boulevard, Newcastle upon Tyne, NE1 4JE		
45 Ifield Road Management Limited[2]	33%	Indirect
Sixty-Two Stanhope Gardens Limited[2]	20%	Indirect
Vesta (General Partner) Limited	30%	Indirect
Vesta Limited Partnership	20%	Indirect
Portmill House, Portmill Lane, Hitchin, SG5 1DJ		
Redoubt Close Management Limited[2]	3%	Indirect

A full list of the Group's joint ventures as at 30 September 2025 is set out below:

Company	% effective holding	Direct/ Indirect
100 Victoria Street, London, SW1E 5JL		
Curzon Park Limited	50%	Indirect
12th Floor Aldgate Tower, 2 Leman Street, London, E1W 9US		
Tacklow Limited[2]	50%	Indirect
16a Castlebar Road, London, W5 2DP		
16 Castlebar Road Management Company Limited[2]	50%	Indirect
Citygate, St James' Boulevard, Newcastle upon Tyne, NE1 4JE		
1 Ifield Road Management Limited[2]	50%	Indirect
31-37 Disbrowe Road Freehold Company Limited[2]	50%	Indirect
174 Bishops Road Limited[1,2]	50%	Indirect
Besson Street Limited Liability Partnership	50%	Indirect
Besson Street Second Member Limited[2]	50%	Indirect
Connected Living London (BTR) Limited	51%	Indirect
Connected Living London (RP) Limited	51%	Indirect
Connected Living London (Limmo) Limited[2]	51%	Indirect
Connected Living London (Southall) Limited	51%	Indirect
Connected Living London (OpCo) Limited[2]	51%	Indirect
Connected Living London (Nine Elms) Limited	51%	Indirect
Connected Living London (Woolwich) Limited[2]	51%	Indirect
Connected Living London (Arnos Grove) Limited	51%	Indirect
Connected Living London (Bollo Lane) Limited	51%	Indirect
Connected Living London (Cockfosters) Limited	51%	Indirect
Connected Living London (Montford Place) Limited	51%	Indirect
Lewisham Grainger Holdings Limited Liability Partnership[2]	50%	Indirect
Wellesley Residents Trust Limited[1,2]	50%	Indirect

All subsidiaries, associates and joint ventures are incorporated in the UK except where the registered office indicates otherwise.

1. Company limited by guarantee.
2. Company is non-active.

EPRA performance measures (unaudited)

1. Introduction

The European Public Real Estate Association (EPRA) is the body that represents Europe's listed property companies. The association sets out guidelines and recommendations to facilitate consistency in listed real estate reporting, in turn allowing stakeholders to compare companies on a like-for-like basis. As a member of EPRA, the Group is supportive of EPRA's initiatives and discloses measures in relation to the EPRA Best Practices Recommendations (EPRA BPR) guidelines. The most recent guidelines, updated in September 2024, have been adopted by the Group.

The EPRA performance measures and definitions are set out below:

Performance measure	Definition
1) EPRA Earnings	Recurring earnings from core operational activities. This is a key measure of a company's underlying operating results, providing an indication of the extent to which current dividend payments are supported by earnings.
2) EPRA NRV	Net asset value adjusted to include properties and other investment interests at fair value and to exclude certain items not expected to crystallise in a long-term property business model.
3) EPRA NTA	EPRA NRV adjusted to include deferred tax on assets that may be sold by the business and exclude intangible assets.
4) EPRA NDV	EPRA NRV adjusted to include the fair values of i) financial instruments, ii) debt and iii) deferred taxes. EPRA NDV excludes goodwill recognised on a company's statutory balance sheet.
5i) EPRA Net Initial Yield (NIY)	Annualised rental income based on cash rents at the balance sheet date, less non-recoverable property expenses, divided by the market value of the property, increased with (estimated) purchasers' costs.
5ii) EPRA 'topped-up' NIY	This measure incorporates an adjustment to EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives, such as discounted rent periods and step rents).
6) EPRA Vacancy Rate	Estimated Market Rent Value (ERV) of vacant space divided by ERV of the whole portfolio.
7) EPRA Cost Ratios	This measure includes all administrative and operating expenses including share of joint ventures' overheads and operating expenses, net of any service fees, all divided by gross rental income.
8) EPRA LTV	This measure includes all capital which is not equity as debt, irrespective of its IFRS classification, and is based upon proportional consolidation, therefore including a company's share in the net debt and net assets of joint ventures and associates. Assets are included at fair value, net debt at nominal value.

Summary

	2025	2024
EPRA Earnings	**£53.7m**	£48.0m
EPRA Earnings per share (pre tax)	**7.3p**	6.5p
EPRA Earnings per share (post tax)	**5.5p**	4.9p
EPRA NRV	**£2,283.1m**	£2,295.9m
EPRA NRV per share	**307p**	309p
EPRA NTA	**£2,216.6m**	£2,218.1m
EPRA NTA per share	**298p**	298p
EPRA NDV	**£2,278.0m**	£2,194.9m
EPRA NDV per share	**307p**	295p
EPRA Net Initial Yield (NIY)	**3.6%**	3.4%
Adjusted EPRA NIY	**4.1%**	3.9%
EPRA Vacancy Rate	**1.9%**	2.7%
Adjusted EPRA Cost Ratio (including direct vacancy costs)	**37.6%**	36.5%
Adjusted EPRA Cost Ratio (excluding direct vacancy costs)	**36.1%**	35.2%
EPRA LTV	**40.2%**	39.7%
Capital Expenditure	**£164.9m**	£277.8m

2. EPRA Earnings

	2025			2024		
	Earnings £m	**Shares millions**	**Pence per share**	Earnings £m	Shares millions	Pence per share
Earnings per IFRS income statement	**102.6**	**738.8**	**13.9**	40.6	738.2	5.5
Adjustments to calculate EPRA Earnings, exclude:						
i) Changes in value of investment properties, development properties held for investment and other interests	**(26.3)**	**–**	**(3.6)**	38.4	–	5.2
ii) Profits or losses on disposal of investment properties, development properties held for investment and other interests	**1.6**	**–**	**0.2**	5.8	–	0.8
iii) Profits or losses on sales of trading properties including impairment charges in respect of trading properties	**(39.5)**	**–**	**(5.3)**	(49.3)	–	(6.7)
iv) Tax on profits or losses on disposals	**–**	**–**	**–**	–	–	–
v) Negative goodwill/goodwill impairment	**–**	**–**	**–**	–	–	–
vi) Changes in fair value of financial instruments and associated close-out costs	**8.5**	**–**	**1.2**	6.6	–	0.9
vii) Acquisition costs on share deals and non-controlling joint venture interests	**–**	**–**	**–**	–	–	–
viii) Adjustments related to funding structure	**–**	**–**	**–**	–	–	–
ix) Adjustments related to non-operating and exceptional items	**3.3**	**–**	**0.4**	5.0	–	0.7
x) Deferred tax in respect of EPRA adjustments	**–**	**–**	**–**	–	–	–
xi) Adjustments i) to viii) in respect of joint ventures	**3.5**	**–**	**0.5**	0.9	–	0.1
xii) Non-controlling interests in respect of the above	**–**	**–**	**–**	–	–	–
EPRA Earnings/Earnings per share	**53.7**	**738.8**	**7.3**	48.0	738.2	6.5
EPRA Earnings per share after tax			**5.5**			4.9

ix) Adjustments relate to fire safety provisions, REIT conversion costs and aborted acquisition costs as outlined within Note 3 of the Group's financial statements.

EPRA Earnings have been divided by the average number of shares shown in Note 15 to the Group financial statements to calculate earnings per share. EPRA Earnings per share after tax is calculated using the standard rate of UK Corporation Tax of 25.0% (2024: 25.0%).

3. EPRA NRV, EPRA NTA and EPRA NDV

	2025			2024		
	EPRA NRV £m	**EPRA NTA £m**	**EPRA NDV £m**	EPRA NRV £m	EPRA NTA £m	EPRA NDV £m
IFRS Equity attributable to Shareholders	**2,039.8**	**2,039.8**	**2,039.8**	1,893.7	1,893.7	1,893.7
Include/Exclude:						
i) Hybrid Instruments	**–**	**–**	**–**	–	–	–
Diluted NAV	**2,039.8**	**2,039.8**	**2,039.8**	1,893.7	1,893.7	1,893.7
Include:						
ii.a) Revaluation of IP (if IAS 40 cost option is used)	**–**	**–**	**–**	–	–	–
ii.b) Revaluation of IPUC (if IAS 40 cost option is used)	**–**	**–**	**–**	–	–	–
ii.c) Revaluation of other non-current investments	**7.5**	**7.5**	**7.5**	11.8	11.8	11.8
iii) Revaluation of tenant leases held as finance leases	**–**	**–**	**–**	–	–	–
iv) Revaluation of trading properties	**245.4**	**181.8**	**181.8**	292.4	216.4	216.4
Diluted NAV at Fair Value	**2,292.7**	**2,229.1**	**2,229.1**	2,197.9	2,121.9	2,121.9
Exclude:						
v) Deferred tax in relation to fair value gains of IP	**1.0**	**1.0**	**–**	112.9	112.9	–
vi) Fair value of financial instruments	**(10.6)**	**(10.6)**	**–**	(14.9)	(14.9)	–
vii) Goodwill as a result of deferred tax	**–**	**–**	**–**	–	–	–
viii.a) Goodwill as per the IFRS balance sheet	**–**	**(0.4)**	**(0.4)**	–	(0.4)	(0.4)
viii.b) Intangible as per the IFRS balance sheet	**–**	**(2.5)**	**–**	–	(1.4)	–
Include:						
ix) Fair value of fixed interest rate debt	**–**	**–**	**49.3**	–	–	73.4
x) Revaluation of intangibles to fair value	**–**	**–**	**–**	–	–	–
xi) Real estate transfer tax	**–**	**–**	**–**	–	–	–
NAV	**2,283.1**	**2,216.6**	**2,278.0**	2,295.9	2,218.1	2,194.9
Fully diluted number of shares	**742.3**	**742.3**	**742.3**	743.1	743.1	743.1
NAV pence per share	**307**	**298**	**307**	309	298	295

EPRA performance measures (unaudited) continued

4. EPRA NIY

		2025 £m	2024 £m
Investment property – wholly-owned		**3,124.3**	3,028.3
Investment property – share of JVs/Funds		**67.6**	66.5
Trading property (including share of JVs)		**541.0**	620.1
Less: developments		**(369.1)**	(401.7)
Completed property portfolio		**3,363.8**	3,313.2
Allowance for estimated purchasers' costs		**188.9**	180.5
Gross up completed property portfolio valuation	B	**3,552.7**	3,493.7
Annualised cash passing rental income		**177.6**	166.1
Property outgoings		**(48.8)**	(48.8)
Annualised net rents	A	**128.8**	117.3
Add: rent incentives		**0.7**	0.2
'Topped up' net annualised rent	C	**129.5**	117.5
EPRA NIY	A/B	**3.6%**	3.4%
EPRA 'topped up' NIY	C/B	**3.6%**	3.4%
Gross up completed property portfolio valuation		**3,552.7**	3,493.7
Adjustments to completed property portfolio in respect of regulated tenancies and share of joint ventures		**(545.2)**	(634.5)
Adjusted gross up completed property portfolio valuation	b	**3,007.5**	2,859.2
Annualised net rents		**128.8**	117.3
Adjustments to annualised cash passing rental income in respect of newly completed developments and refurbishment activity		**6.6**	8.3
Adjustments to property outgoings in respect of newly completed developments and refurbishment activity		**(1.9)**	(2.4)
Adjustments to annualised cash passing rental income in respect of regulated tenancies		**(13.3)**	(15.0)
Adjustments to property outgoings in respect of regulated tenancies		**3.4**	4.5
Adjusted annualised net rents	a	**123.6**	112.7
Add: rent incentives		**0.7**	0.2
Adjusted EPRA 'topped up' NIY	c	**124.3**	112.9
Adjusted EPRA NIY	a/b	**4.1%**	3.9%
Adjusted EPRA 'topped up' NIY	c/b	**4.1%**	3.9%

5. EPRA Vacancy Rate

		2025 £m	2024 £m
Estimated rental value of vacant space	A	**2.5**	3.3
Estimated rental value of the whole portfolio	B	**130.0**	122.9
EPRA Vacancy Rate	A/B	**1.9%**	2.7%

The vacancy rate reflects estimated rental values of the Group’s stabilised habitable PRS units as at the reporting date.

6. EPRA Cost Ratio

		2025 £m	2024 £m
Administrative expenses		**36.7**	35.3
Property operating expenses		**46.6**	44.7
Share of joint ventures expenses		**1.0**	0.6
Management fees		**(2.3)**	(2.6)
Other operating income/recharges intended to cover overhead expenses		**(3.8)**	(5.5)
Exclude:			
Investment property depreciation		**–**	–
Ground rent costs		**(0.2)**	(0.1)
EPRA Costs (including direct vacancy costs)	A	**78.0**	72.4
Direct vacancy costs		**(3.0)**	(2.4)
EPRA Costs (excluding direct vacancy costs)	B	**75.0**	70.0
Gross rental income		**170.2**	154.8
Less: ground rent income		**(0.6)**	(0.6)
Add: share of joint ventures (gross rental income less ground rents)		**0.8**	0.8
Add: adjustment in respect of profits or losses on sales of properties		**37.3**	43.6
Gross Rental Income and Trading Profits	C	**207.7**	198.6
Adjusted EPRA Cost Ratio (including direct vacancy costs)	A/C	**37.6%**	36.5%
Adjusted EPRA Cost Ratio (excluding direct vacancy costs)	B/C	**36.1%**	35.2%

7. EPRA LTV

£m		2025 Group	2025 Share of Joint Ventures	2025 Share of Associates	2025 Combined
Borrowings from Financial Institutions		903.0	–	–	903.0
Bond loans		700.0	–	–	700.0
Net payables		41.8	9.8	14.6	66.2
Exclude:					
Cash and cash equivalents		(126.6)	(3.3)	(0.3)	(130.2)
Net debt	A	1,518.2	6.5	14.3	1,539.0
Investment properties at fair value		2,858.1	–	14.9	2,873.0
Investment properties under development		266.2	52.7	–	318.9
Properties held-for-sale		541.0	–	–	541.0
Financial assets		94.4	–	–	94.4
Total property value	B	3,759.7	52.7	14.9	3,827.3
EPRA LTV %	A/B	40.4%	12.3%	96.0%	40.2%

£m		2024 Group	2024 Share of Joint Ventures	2024 Share of Associates	2024 Combined
Borrowings from Financial Institutions		908.2	–	–	908.2
Bond loans		700.0	–	–	700.0
Net payables		29.5	6.7	14.7	50.9
Exclude:					
Cash and cash equivalents		(140.1)	(1.4)	(0.5)	(142.0)
Net debt	A	1,497.6	5.3	14.2	1,517.1
Investment properties at fair value		2,720.2	–	14.5	2,734.7
Investment properties under development		308.1	52.0	–	360.1
Properties held-for-sale		620.1	–	–	620.1
Financial assets		101.7	–	–	101.7
Total property value	B	3,750.1	52.0	14.5	3,816.6
EPRA LTV %	A/B	39.9%	10.1%	97.6%	39.7%

8. Capital Expenditure

£m	2025 Trading Properties	2025 Investment Properties	2025 Group (excl Joint Ventures)	2025 Share of Joint Ventures	2025 Combined
Acquisitions	0.1	20.0	20.1	–	20.1
Development	9.5	100.8	110.3	3.9	114.2
Completed assets					
– Incremental letting space	–	–	–	–	–
– No incremental letting space	2.3	17.2	19.5	0.2	19.7
- Tenant incentives	–	–	–	–	–
– Other material non-allocated types of expenditure	–	–	–	–	–
Capitalised interest	–	10.4	10.4	0.5	10.9
Total Capital Expenditure	11.9	148.4	160.3	4.6	164.9

£m	2024 Trading Properties	2024 Investment Properties	2024 Group (excl Joint Ventures)	2024 Share of Joint Ventures	2024 Combined
Acquisitions	0.2	85.9	86.1	–	86.1
Development	11.0	149.6	160.6	1.2	161.8
Completed assets					
– Incremental letting space	–	–	–	–	–
– No incremental letting space	3.8	13.9	17.7	–	17.7
- Tenant incentives	–	–	–	–	–
– Other material non-allocated types of expenditure	–	–	–	–	–
Capitalised interest	–	11.6	11.6	0.6	12.2
Total Capital Expenditure	15.0	261.0	276.0	1.8	277.8

Five year record (unaudited)
For the year ended 30 September 2025

	2021 £m	2022 £m	2023 £m	2024 £m	**2025** **£m**
Group revenue	248.9	279.2	267.1	290.1	**262.7**
Gross proceeds from property sales	187.9	174.7	193.7	274.3	**168.9**
Gross rental income	97.4	121.4	133.7	154.8	**170.2**
Net rental income	70.6	86.3	96.5	110.1	**123.6**
Gross fee income	2.6	2.7	3.2	2.6	**2.3**
Adjusted earnings	83.5	93.5	97.6	91.6	**91.0**
Profit before tax	152.1	298.6	27.4	40.6	**102.6**
Profit after tax	109.5	229.4	25.6	31.2	**202.6**
Dividends paid	36.8	40.0	45.7	51.0	**58.1**

	Pence	Pence	Pence	Pence	**Pence**
Basic earnings per share	16.2	31.0	3.5	4.2	**27.4**
Dividends per share	5.2	6.0	6.7	7.6	**8.3**

	Pence	Pence	Pence	Pence	**Pence**
EPRA NRV per share	316.4	332.6	317.5	309.0	**307.2**
EPRA NTA per share	297.2	317.5	305.2	298.4	**298.3**
EPRA NDV per share	284.2	334.2	314.0	295.4	**306.5**
Share price at 30 September	305.0	229.4	233.6	245.5	**194.0**

	%	%	%	%	**%**
Total Accounting Return – NTA basis	6.3	8.6	(1.9)	0.1	**2.6**
Total Property Return (TPR)	7.5	7.5	0.4	1.9	**3.9**

Other information
Shareholders' information

Financial calendar

Ex-Dividend date	15 January 2026
Dividend record date	16 January 2026
AGM Notice	December 2025[1]
AGM	4 February 2026
Dividend payment date	20 February 2026
FY26 interim results announcement	14 May 2026
FY26 full year results announcement	19 November 2026

1. We intend to issue the AGM Notice to Shareholders in December 2025. We will publish an announcement via the RNS and file a copy with the National Storage Mechanism.

Share price

During FY25, the range of the closing mid-market prices of the Company's ordinary shares were:

Price at 30 September 2025	194p
Lowest price during the year	179p
Highest price during the year	249p

Daily information on the Company's share price can be obtained on our website www.graingerplc.co.uk.

Share listing

Grainger plc 5p ordinary are listed on the London Stock Exchange (equity shares – commercial companies) under ISIN GB00B04V1276.

Capital gains tax

The market value of the Company's shares for capital gains tax purposes at 31 March 1982 was 2.03p.

Website

Website address **www.graingerplc.co.uk**

Shareholders' enquiries

All administrative enquiries relating to shareholdings (for example, notification of change of address, loss of share certificates, dividend payments) should be addressed to the Company's registrar at:

shareholderenquiries@cm.mpms.mufg.com

MUFG Group
Central Square, 10th Floor
29 Wellington Street
Leeds, LS1 4DL

Share dealing service

A share dealing service is available to existing Shareholders to buy or sell the Company's shares via MUFG Corporate Markets. Online and telephone dealing facilities provide an easy to access and simple to use service.

For further information on this service, or to buy or sell shares, please contact: **https://dealing.cm.mpms.mufg.com** – online dealing or **+44 (0) 371 664 0445** (calls are charged at the standard geographical rate and will vary by provider. Calls outside the UK are charged at the applicable international rate. Lines are open Monday to Friday, 8am to 4:30pm) – telephone dealing.

Please note that the Directors of the Company are not seeking to encourage Shareholders to either buy or sell their shares. Shareholders in any doubt as to what action to take are recommended to seek financial advice from an independent financial adviser authorised by the Financial Services and Markets Act 2000.

Forward-looking statements

This Report may contain certain statements that are forward-looking statements. They appear in a number of places throughout this Report and include statements regarding Grainger's intentions, beliefs or current expectations and those of its Officers, Directors and employees concerning, amongst other things, Grainger's results of operations, financial condition, liquidity, prospects, growth, strategies and the business it operates. By their nature, these statements involve risks and uncertainty since future events and circumstances can cause results and developments to differ materially from those anticipated. The forward-looking statements reflect knowledge and information available at the date of preparation of this Report and, unless otherwise required by applicable law, Grainger undertakes no obligation to update or revise these forward-looking statements. Nothing in this Report should be construed as a profit forecast. Grainger and its Directors accept no liability to third parties in respect of this update save as would arise under English law. Information about the management of the Principal Risks and Uncertainties facing Grainger is set out within the Report on pages 64 to 69. Any forward-looking statements in this Report speak only at the date of this Report and Grainger undertakes no obligation to update publicly or review any forward-looking statement to reflect new information or events, circumstances or developments after the date of this Report.

Company Secretary and Registered Office

Sapna FitzGerald

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Company registration number: **00125575**

Other information
Glossary of terms

Adjusted earnings
Profit before tax before valuation movements and other adjustments, which do not form part of the normal on-going revenue or costs of the business.

Build-to-Rent (BTR)
Housing tenure classification that relates to residential units owned by the private sector to provide rental accommodation. This excludes units owned by Government authorities and housing associations. Previously referred to as Private Rented Sector ('PRS').

CHARM
The CHARM portfolio is a financial interest in equity mortgages held by the Church of England Pensions Board as mortgagee.

Dividend cover
Earnings per share divided by dividends per share.

Earnings Per Share (EPS)
Profit after tax attributable to Shareholders divided by the weighted average number of shares in issue in the year.

EBITDA margin
Earnings before interest, depreciation, amortisation and tax, excluding liquidated and ascertained damages, divided by revenue.

EPRA earnings
Profit before tax before sales profit, valuation movements and other adjustments. This allows for comparability with other REITs.

European Public Real Estate Association (EPRA)
A not-for-profit association with a membership of Europe's leading property companies, investors and consultants which strives to establish best practices in accounting, reporting and corporate governance and to provide high-quality information to investors. EPRA published its latest Best Practices Recommendations in September 2024. Further information, including definitions and measures adopted by Grainger can be found on pages 180 to 183.

Estimated Rental Value (ERV)
The market rental value of lettable space as determined by the Group's external valuers at the balance sheet date. For properties which have not yet reached practical completion, ERV is determined by management's assessment of market rents.

Gross to net
Property operating expenses as a percentage of gross rental income.

Interest cover ratio (ICR)
Profit on ordinary activities before interest and tax divided by net interest payable.

Investment value or market value
Open market value of a property subject to relevant tenancy in place.

Loan to Value (LTV)
Ratio of net debt to the market value of properties and property related assets. This is the primary gearing metric for the Group.

Net Initial Yield (NIY)
Annualised net passing rents as a percentage of the property's open market value.

Net Rental Income (NRI)
Gross rental income less property operating expenses, ground rents paid and service charge expenditure.

Net Asset Value (NAV)
Net assets divided by the number of ordinary shares in issue as at the balance sheet date.

Net Tangible Assets (NTA)
NTA is the market value of property assets after deducting deferred tax on trading assets, and excluding intangible assets and derivatives.

Occupancy
The passing rent from PRS stabilised let units as a proportion of PRS stabilised PRI as at the balance sheet date.

Passing net rent
Passing rent less property expenditure at≈the balance sheet date.

Passing rent
The annual rental income receivable on a property as at the balance sheet date.

Potential Rental Income (PRI)
Passing rent from let units plus ERV on vacant units.

Real Estate Investment Trust (REIT)
A company that owns, operates, or finances income-producing real estate. REITs allow individual investors to earn a share of the income generated by properties without having to buy or manage the properties themselves.

Regulated tenancy
Tenancy regulated under the 1977 Rent Act. Rent (usually sub-market) is set by the rent officer and the tenant has security of tenure.

Reversionary surplus
The difference between trading property vacant possession value and market value.

Stabilised
Classification of existing property, newly completed property or property acquired once it achieves 95% occupancy. Once an asset is designated as stabilised the classification is retained whilst it is held by the Group for future rental income.

Tenanted residential
Activity covering the acquisition, renting out and subsequent sale (usually on vacancy) of residential units subject to a tenancy agreement.

Total Accounting Return
The growth in the net asset value of the Group plus dividends paid in the year, calculated as a percentage of the opening net asset value.

Total Property Income Return (TPIR)/Like-for-like rental growth (LFL)
The change in gross rental income for occupied units in a period as a result of tenant renewals or a change in tenant. Applies to changes in gross rents on a comparable basis and excludes the impact of acquisitions, disposals and changes resulting from refurbishments.

Total Property Return (TPR)
A performance measure which represents the change in gross asset value, net of capital expenditure incurred, plus property related net income, expressed as a percentage of opening gross asset value.

Total Shareholder Return (TSR)
Return attributable to Shareholders on the basis of share price growth with dividends reinvested.

Vacant Possession (VP) value
Open market value of a property free from any tenancy.

Weighted Average Cost of Capital (WACC)
The weighted average cost of funding the Group's activities through a combination of Shareholders' funds and debt.

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London
E14 5GL

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Notes

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