



Grainger plc

2025 Corporate Questionnaire Response

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About CDP

CDP is a global non-profit that runs the world's only independent environmental disclosure system. As the founder of environmental reporting, we believe in transparency and the power of data to drive change. Partnering with leaders in enterprise, capital, policy and science, we surface the information needed to enable Earth-positive decisions. We helped more than 22,100 companies and over 1,000 cities, states and regions disclose their environmental impacts in 2025. Financial institutions with more than a quarter of the world's institutional assets use CDP data to help inform investment and lending decisions. Aligned with the ISSB's climate standard, IFRS S2, as its foundational baseline, CDP integrates best-practice reporting standards and frameworks in one place. Our team is truly global, united by our shared desire to build a world where people, planet and profit are truly balanced. Visit cdp.net or follow us @CDP to find out more.

Useful Information

The CDP questionnaire ([click here](#)) has been a single, integrated questionnaire since 2024, with a simplified version for SMEs. In 2025 it contained questions on five key environmental issues: climate change, forests, water security, plastics and biodiversity. Questions are aligned to international reporting standards and frameworks ([click here](#)). Disclosers see questions and environmental issues that are relevant to them, based on their sector and activities ([click here](#)). We recommend referring to CDP's reporting guidance ([click here](#)) alongside this response. Dates in this document are formatted as YYYY-MM-DD. Dates reported to CDP are stored as UTC (Coordinated Universal Time). The dates in this document may differ from dates when viewed in the CDP Portal but will never deviate by more than 24 hours. Questions with a single row and a single column may not have row labels.

Discloser Information

CDP Org ID: 7677

Field	Value
Disclosure cycle	2025 Disclosure Cycle
Questionnaire	CDP Corporate Questionnaire 2025
Discloser name	Grainger plc
CDP Organization Number	7677
CDP Industry classification	Infrastructure
CDP activity group	Land & property ownership & development
CDP activity	Real estate owners & developers
Questionnaire Pathway	Full Version
Privacy status	Public
Environmental Issues Intent to Disclose	Climate Change, Water, Biodiversity, Plastics
Commodities	
Primary Sector	Real estate

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Responses

Q1.1 In which language are you submitting your response?

English

Q1.2 Select the currency used for all financial information disclosed throughout your response.

GBP

Q1.3 Provide an overview and introduction to your organization.

Response 1:

Organization type

Publicly traded organization

Description of organization

Grainger plc is the UK's largest listed residential landlord. We are changing the way people rent in the UK by providing high quality, professionally managed rental homes. We are building homes where people want to live, creating spaces residents enjoy and making a positive impact in local communities.

Q1.4 State the end date of the year for which you are reporting data. For emissions data, indicate whether you will be providing emissions data for past reporting years.

Response 1:

End date of reporting year

2024-09-29

Alignment of this reporting period with your financial reporting period

Yes

Indicate if you are providing emissions data for past reporting years

Yes

Number of past reporting years you will be providing Scope 1 emissions data for

1 year

Number of past reporting years you will be providing Scope 2 emissions data for

1 year

Number of past reporting years you will be providing Scope 3 emissions data for

1 year

Q1.4.1 What is your organization's annual revenue for the reporting period?

290100000

Q1.5 Provide details on your reporting boundary.

Yes

Q1.7 Select the countries/areas in which you operate.

United Kingdom

Q1.15 Which real estate and/or construction activities does your organization engage in?

- New construction or major renovation of buildings
- Buildings management

Q1.24 Has your organization mapped its value chain?

Response 1:

Value chain mapped

Yes, we have mapped or are currently in the process of mapping our value chain

Value chain stages covered in mapping

- Downstream value chain
- Upstream value chain

Highest supplier tier mapped

Tier 1 suppliers

Highest supplier tier known but not mapped

All supplier tiers known have been mapped

Description of mapping process and coverage

Grainger uses a bespoke internal process to map our supply chain. The type of information we collect on our suppliers includes their location and the categories of products and services they supply to Grainger. Grainger's Tier 1 suppliers have been mapped, including both Development and Operational suppliers. Grainger has also mapped our customers through our bespoke data and analytics analysis, providing us with a lot of information about the customers who rent Grainger properties including demographic and financial information. This enables us to tailor our customer engagement programme - Living a Greener Life, which provides energy and water saving guidance for customers - to the demographic of customers that live in our buildings.

Q1.24.1 Have you mapped where in your direct operations or elsewhere in your value chain plastics are produced, commercialized, used, and/or disposed of?

Response 1:

Plastics mapping

Yes, we have mapped or are currently in the process of mapping plastics in our value chain

Value chain stages covered in mapping

- Upstream value chain
- Downstream value chain

Q2.1 How does your organization define short-, medium-, and long-term time horizons in relation to the identification, assessment, and management of your environmental dependencies, impacts, risks, and opportunities?

Response 1: Short-term

From (years)

0

To (years)

10

How this time horizon is linked to strategic and/or financial planning

This time horizon aligns to the timeline we use for our business strategy and accompanying financial plan

Response 2: Medium-term

From (years)

10

To (years)

30

How this time horizon is linked to strategic and/or financial planning

This time horizon aligns to the timeline we use for our net zero carbon strategy, linked to the UK Government's net zero carbon target for 2050. Financial planning for net zero implementation is aligned to the same timeline.

Response 3: Long-term

From (years)

30

Is your long-term time horizon open ended?

Yes

How this time horizon is linked to strategic and/or financial planning

This time horizon aligns to our planned ownership of our long-term hold property portfolio. As a long-term investor we plan to hold assets beyond 2100 and have undertaken climate scenario analysis linked to this same time horizon.

Q2.2 Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts?

Response 1:

Process in place

Yes

Dependencies and/or impacts evaluated in this process

Both dependencies and impacts

Q2.2.1 Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities?

Response 1:

Process in place

Yes

Risks and/or opportunities evaluated in this process

Both risks and opportunities

Is this process informed by the dependencies and/or impacts process?

Yes

Q2.2.2 Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities.

Response 1: Row 1

Environmental issue

Climate change

Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

- Opportunities
- Risks
- Impacts

Value chain stages covered

- Downstream value chain
- Direct operations

Coverage

Full

Type of assessment

Qualitative and quantitative

Frequency of assessment

More than once a year

Time horizons covered

- Short-term
- Medium-term
- Long-term

Integration of risk management process

Integrated into multi-disciplinary organization-wide risk management process

Location-specificity used

Site-specific

Tools and methods used

- Other: Scenario analysis
- International methodologies and standards: IPCC Climate Change Projections

Risk types and criteria considered

- Technology: Transition to lower emissions technology and products
- Chronic physical: Sea level rise
- Policy: Lack of mature certification and sustainability standards
- Acute physical: Heat waves
- Chronic physical: Heat stress
- Chronic physical: Changing temperature (air, freshwater, marine water)
- Chronic physical: Changing wind patterns
- Liability: Non-compliance with regulations
- Chronic physical: Increased severity of extreme weather events
- Acute physical: Flood (coastal, fluvial, pluvial, ground water)
- Acute physical: Subsidence
- Acute physical: Storm (including blizzards, dust, and sandstorms)
- Reputation: Increased partner and stakeholder concern and partner and stakeholder negative feedback
- Chronic physical: Changing precipitation patterns and types (rain, hail, snow/ice)
- Market: Changing customer behavior
- Policy: Changes to national legislation
- Acute physical: Heavy precipitation (rain, hail, snow/ice)
- Technology: Data access/availability or monitoring systems
- Acute physical: Drought

Partners and stakeholders considered

Customers

Has this process changed since the previous reporting year?

No

Further details of process

Grainger undertakes physical climate risk analysis informed by scenario analysis and climate transition risk and opportunity analysis. This is informed by detailed analysis of the risks and opportunities at an asset level and by analysis of climate impacts at asset and portfolio level. Risks and opportunities and impacts on our customers are considered as part of this analysis. This analysis is integrated into the principal risk and uncertainties reviews conducted within our risk management framework and risks are assessed using the company's risk scoring tool to determine the impact and probability of each risk. This impact assessment is used to assess the overall impact of the risk to the Group, and is applied to climate-related risks in the same way as it is applied to all principal risks and uncertainties. There are definitions for five categorisations of risk across both impact and probability. Impact ranges from 'Insignificant - No material impact <£5000' to 'Extreme - Potential Grainger failure £5 million.' Risks that could have a substantive financial or strategic impact on our business would be those in the top two categories ranked four or five out of five for impact, defined as a major risk that presents a significant, lasting risk to Grainger. The categorisations of each risk using the scoring tool are determined by a range of factors including the impact of the risk on the business's strategic goals, reputation, ability to deliver services, profitability and health and safety. The categorisation then supports and guides what action is required in response to the risk. The assessment covers all Grainger's operations and all assets including pipeline assets. It is informed by internal data and external data from consultants undertaking due diligence on potential acquisitions and the company's insurance broker which assesses each asset for a range of physical climate risks under different scenarios. Risks are monitored through quarterly risk reviews undertaken with dedicated Committees. Opportunities and impacts are monitored through regular meetings of the Operations Board and quarterly asset reviews.

Response 2: Row 2

Environmental issue

Water

Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Risks

Value chain stages covered

- Downstream value chain
- Direct operations

Coverage

Full

Type of assessment

Qualitative and quantitative

Frequency of assessment

More than once a year

Time horizons covered

- Short-term
- Long-term
- Medium-term

Integration of risk management process

Integrated into multi-disciplinary organization-wide risk management process

Location-specificity used

Site-specific

Tools and methods used

- Other: Scenario analysis
- International methodologies and standards: IPCC Climate Change Projections

Risk types and criteria considered

- Chronic physical: Water availability at a basin/catchment level
- Acute physical: Heavy precipitation (rain, hail, snow/ice)
- Acute physical: Flood (coastal, fluvial, pluvial, ground water)
- Chronic physical: Sea level rise
- Chronic physical: Water stress

Partners and stakeholders considered

Customers

Has this process changed since the previous reporting year?

No

Further details of process

Grainger undertakes flooding and water stress risk analysis informed by scenario analysis. Analysis is undertaken on the company's property portfolio and development pipeline. It is informed by internal data and external data from consultants and by undertaking due diligence on potential acquisitions. The company's insurance broker will also help us assess each asset for a range of physical climate-related risks under different scenarios. The assessment includes considering the potential risks for the customers that rent Grainger's properties. This analysis informs the climate-related physical risk analysis integrated into Grainger's risk framework as set out above. Specific development risks are monitored at regular meetings of the Company's Development Board and asset level risks are monitored at regular meetings of the Operations Board and through regular asset reviews.

Response 3: Row 3

Environmental issue

Biodiversity

Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Impacts

Value chain stages covered

Direct operations

Coverage

Partial

Type of assessment

Qualitative and quantitative

Frequency of assessment

As important matters arise

Time horizons covered

Medium-term

Location-specificity used

Site-specific

Tools and methods used

Commercially/publicly available tools: BNGC - Biodiversity Net Gain Calculator

Partners and stakeholders considered

- Customers
- Local communities

Has this process changed since the previous reporting year?

No

Further details of process

Grainger undertakes biodiversity assessments for development sites. These include detailed assessments by ecologists and include biodiversity net gain calculations. Assessments are undertaken on direct development sites. Risks are monitored through regular meetings of the Development Board.

Response 4: Row 4**Environmental issue**

Climate change

Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Impacts

Value chain stages covered

- Upstream value chain
- End of life management

Coverage

Full

Supplier tiers covered

Tier 1 suppliers

Type of assessment

Qualitative and quantitative

Frequency of assessment

Annually

Time horizons covered

Short-term

Location-specificity used

Site-specific

Tools and methods used

- Other: Partner and stakeholder consultation/analysis
- International methodologies and standards: Life Cycle Assessment
- Other: External consultants

Partners and stakeholders considered

- Suppliers
- Other: Development partners

Has this process changed since the previous reporting year?

No

Further details of process

Grainger has used our Scope 3 carbon assessment to assess the climate related impacts of all Development and Operational suppliers. Specific supplier related risks and impacts are assessed through weighted average criteria set out in Grainger's Procurement Policy and higher risk suppliers are prioritised for specific assessment and engagement which ensures all risks are managed accordingly. Quantitative analysis of supplier expenditure and associated emissions data is undertaken to establish suppliers which have a substantive impact on Grainger's climate-related objectives and targets. Progress is monitored through internal and external emissions reporting. In addition location-specific impact assessments are undertaken with contractors on our Direct Development projects (covering approximately 50% of all development sites) using Whole Life Carbon assessments which measure the emissions impact of our projects from construction through operation and at end of life stage. Data coverage and quality of our supply chain impacts have improved on previous reporting years and we are building on this through engagement with our most impactful suppliers to obtain more specific product and service level emissions data.

Q2.2.7 Are the interconnections between environmental dependencies, impacts, risks and/or opportunities assessed?

Response 1:

Interconnections between environmental dependencies, impacts, risks and/or opportunities assessed

Yes

Description of how interconnections are assessed

Grainger considers interconnections between environmental impacts, risks and opportunities as part of site level assessments of our properties and development sites. We apply the principle of double materiality to our assessments and combine different assessments as set out in 2.2. For example we consider impacts from biodiversity loss through land use change, risks from regulation, opportunities from customer demand to live in places with access to green space and potential climate mitigation and adaptation from nature-based solutions. We also consider Grainger's impact on climate change from GHG emissions generated from our properties whilst considering the potential opportunities to increase revenues and ensure compliance by delivering more energy efficient homes. We consider trade-offs such as installing low carbon heating systems which could reduce our GHG impacts but increase running costs for customers, impacting on revenues from rental income and considering the impacts of improving energy efficiency of our properties on overheating.

Q2.3 Have you identified priority locations across your value chain?

Response 1:

Identification of priority locations

Yes, we have identified priority locations

Value chain stages where priority locations have been identified

- Downstream value chain
- Direct operations

Types of priority locations identified

- Sensitive locations: Areas of limited water availability, flooding, and/or poor quality of water
- Sensitive locations: Areas important for biodiversity

Description of process to identify priority locations

Areas important for biodiversity are identified through ecology reviews of Grainger's sites which identify if there are ecosystems or species of importance. Areas of limited water availability are identified through reviewing Grainger's portfolio against the WRI Aqueduct Water Risk Atlas. Areas of high flood risk are identified through reviewing Grainger's portfolio through physical climate scenario analysis.

Will you be disclosing a list/spatial map of priority locations?

No, we have a list/geospatial map of priority locations, but we will not be disclosing it

Q2.4 How does your organization define substantive effects on your organization?

Response 1: Risks

Type of definition

Quantitative

Indicator used to define substantive effect

EBITDA

Change to indicator

Absolute decrease

Absolute increase/ decrease figure

2000000

Metrics considered in definition

Likelihood of effect occurring

Application of definition

Grainger applies the materiality threshold used for our financial accounting to define substantive impact. This aligns to the 'major' category of risk impact used in our corporate risk framework, which is defined as a significant, lasting risk to Grainger and has a likelihood of 51-80%.

Response 2: Opportunities

Type of definition

Quantitative

Indicator used to define substantive effect

EBITDA

Change to indicator

Absolute increase

Absolute increase/ decrease figure

2000000

Metrics considered in definition

Likelihood of effect occurring

Application of definition

Grainger applies the materiality threshold used for our financial accounting to define substantive impact. This aligns to the 'major' category of risk impact used in our corporate risk framework, which is defined as a significant, lasting risk to Grainger and has a likelihood of 51-80%.

Response 3: Risks

Type of definition

Qualitative

Metrics considered in definition

Likelihood of effect occurring

Application of definition

Grainger considers the potential qualitative impact of risks and opportunities on our business - these include impacts on customers, health and building safety, people, reputation, development schedules and suppliers. These impacts are integrated into our risk framework alongside the financial impact assessment. Specific metric thresholds are determined for each type of qualitative impact and each category of impact. For example the 'major' category of risk threshold for customers is that our national customer base is impacted.

Response 4: Opportunities

Type of definition

Qualitative

Metrics considered in definition

Likelihood of effect occurring

Application of definition

Grainger considers the potential qualitative impact of risks and opportunities on our business - these include impacts on customers, health and building safety, people, reputation, development schedules and suppliers. These impacts are integrated into our risk framework alongside the financial impact assessment. Specific metric thresholds are determined for each type of qualitative impact and each category of impact. For example the 'major' category of risk threshold for customers is that our national customer base is impacted.

Q2.5 Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

Response 1:

Identification and classification of potential water pollutants

Yes, we identify and classify our potential water pollutants

How potential water pollutants are identified and classified

Grainger identifies where nitrates could pollute water catchments in proximity to Grainger developments that are subject to nutrient neutrality requirements set by local planning policy. Potential pollutants are identified and classified through using the Environment Agency Calculator during the planning process, informed by Habitats Regulations Assessments.

Q2.5.1 Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.

Response 1: Row 1

Water pollutant category

Nitrates

Description of water pollutant and potential impacts

Nitrate pollution is a potential risk because new developments increase the nutrient load created through additional wastewater and surface water, which when combined with the nutrient load from agriculture and leaking pipes/deliberate releases of sewage could lead to unacceptable nitrate levels in potential areas. For Grainger this is specifically relevant to one development in the Solent basin, which is a protected area.

Value chain stage

Direct operations

Actions and procedures to minimize adverse impacts

Other:

Please explain

Grainger mitigates nitrate pollution on site through provision of additional green space on our affected development and the installation of Sustainable Urban Drainage Systems (SUDS) which minimise the nutrients in surface water run-off. We also have the option to mitigate off-site through dedicated nitrate mitigation land schemes.

Q3.1 Have you identified any environmental risks which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

Response 1: Climate change

Environmental risks identified

Yes, both in direct operations and upstream/downstream value chain

Response 2: Water

Environmental risks identified

Yes, only within our direct operations

Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Environmental risks exist, but none with the potential to have a substantive effect on our organization

Please explain

Grainger's service is the provision of rental homes and water consumption has not been identified as a significant impact from the production of the services and products purchased through our supply chain to develop and operate our homes. Grainger includes water saving as a theme within our customer engagement campaign, Living a Greener Life, and we provide water efficient fixtures and appliances in our buildings, but it has not been identified as a key concern for our customers. Although some of Grainger's properties are located in areas with potential flood risk, multiple properties would need to be affected to meet our threshold for substantive effect, which is considered unlikely. Although some properties are located in areas with high baseline water stress, because our customers are supplied water through municipal water supplies, we do not consider it likely that water stress would result in a substantive effect. Water has therefore not been identified as a risk with the potential to have a substantive impact.

Response 3: Plastics

Environmental risks identified

No

Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Environmental risks exist, but none with the potential to have a substantive effect on our organization

Please explain

Grainger's service is the provision of rental homes and plastics have not been identified as a material component in the delivery of our service. Our waste and resources strategy is focused on the embodied carbon associated with development of new homes where the key materials are concrete and steel, however there are some plastics components included in building materials and services which are included within the whole life carbon assessments undertaken on our buildings to measure progress towards our embodied carbon targets. Grainger includes plastic waste as a theme within our customer engagement campaign, Living a Greener Life, and provide plastic waste stream recycling at our properties for customers to recycle household plastic waste, but we have not determined plastic waste to be a material environmental impact for Grainger's business and it has therefore not been identified as a risk with the potential to have a substantive impact.

Q3.1.1 Provide details of the environmental risks identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Response 1: Climate change

Risk identifier

Risk1

Risk types and primary environmental risk driver

Policy: Changes to regulation of existing products and services

Value chain stage where the risk occurs

Direct operations

Country/area where the risk occurs

United Kingdom

Organization-specific description of risk

The UK Government has introduced mandatory Minimum Energy Efficiency Standards which residential properties in the Private Rented Sector are required to meet in order to be let. If any of Grainger's Private Rented Sector properties fall below the energy efficiency standard required then they cannot legally be let (i.e. they become unavailable for rent). Grainger would therefore need to sell the properties or implement energy efficiency improvements to improve the property to the required standard. The current minimum standard is an E rated EPC. Minimum Energy Efficiency Standards are expected to be increased by 2030 to a minimum C rated EPC.

Primary financial effect of the risk

Decreased asset value or asset useful life leading to write-offs, asset impairment or early retirement of existing assets

Time horizon over which the risk is anticipated to have a substantive effect on the organization

Short-term

Likelihood of the risk having an effect within the anticipated time horizon

Virtually certain

Magnitude

Medium

Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

If properties do not meet the minimum standard then they cannot be let and therefore would be sold to avoid the loss in rental income that would occur. The risk of non-compliance with the minimum standards is likely to reduce the value of these properties, impacting asset valuations and reducing potential revenue from sales.

Are you able to quantify the financial effect of the risk?

Yes

Anticipated financial effect figure in the short-term - minimum (currency)

97000000

Anticipated financial effect figure in the short-term - maximum (currency)

159700000

Explanation of financial effect figure

The maximum financial effect figure is the investment value of all properties with an EPC rating below a C which is the value of properties that would be written off if these properties were unable to be let. Some of these properties are anticipated to be sold because they are non-core assets and not aligned to Grainger's asset hierarchy for long-term holds. The minimum effect figure is the investment value of the current planned long-term hold properties which are expected to be retained and therefore could be vulnerable to this potential risk if the energy efficiency rating is not improved.

Primary response to risk

Infrastructure, technology and spending : Increase environment-related capital expenditure

Cost of response to risk

4000000

Explanation of cost calculation

We are investing £4 million in energy efficiency improvements to improve the EPC ratings of properties.

Description of response

Our strategy is to improve the energy efficiency of our long-term hold properties so that they achieve the minimum standard. We undertake planned refurbishments to PRS properties designed to improve both energy efficiency and customer satisfaction. We review the energy efficiency improvements recommended on the EPC certificate for each property prior to undertaking works and commission new EPC assessments after to measure the impact of the works and ensure the property meets the minimum energy efficiency standard. The response is anticipated to ensure all Grainger's properties meet the minimum EPC standard and remain able to be let and retain their valuations.

Response 2: Water

Risk identifier

Risk2

Risk types and primary environmental risk driver

Acute physical: Flooding (coastal, fluvial, pluvial, groundwater)

Value chain stage where the risk occurs

Direct operations

Country/area where the risk occurs

United Kingdom

River basin where the risk occurs

- Thames
- Other: Multiple other UK river basins including Irwell and Avon Bristol.

Organization-specific description of risk

The increased severity of flooding could impact properties in Grainger's portfolio that are located in an area vulnerable to flood risk. We identify applicable properties using the Environment Agency long term flood risk assessment and data provided by our insurance broker. The most significant potential impacts would be due to lost rent and the costs to rehouse tenants. There could be some capital costs for required improvement works after a flood event, which should be covered by our insurance and this impacts on insurance premiums to cover our properties at risk of flooding. We have significantly reduced our exposure to flood risk by selling properties in areas with high or medium flood risk and the assets remaining in our portfolio that are exposed to potential flood risk are in urban areas which have strong controls in place, such as local flood management plans and in the case of assets located in London, the Thames barrier.

Primary financial effect of the risk

Increased indirect [operating] costs

Time horizon over which the risk is anticipated to have a substantive effect on the organization

Short-term

Likelihood of the risk having an effect within the anticipated time horizon

Very likely

Magnitude

Low

Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

If a significant flood event impacted one or more Grainger properties, we would likely have to rehouse tenants resulting in significant costs and a potential reduction in rental income. There may also be increased capital costs to undertake repair works, however these are likely to be covered by insurance. If there are multiple flood related claims then there may also be an increase to our insurance premiums.

Are you able to quantify the financial effect of the risk?

Yes

Anticipated financial effect figure in the short-term - minimum (currency)

710000

Anticipated financial effect figure in the short-term - maximum (currency)

2130000

Explanation of financial effect figure

The minimum financial effect figure is the total indirect cost anticipated in the event of a flood affecting one block, including costs to rehouse tenants. This is based on the actual costs incurred from a non climate-related flood incident which impacted one of Grainger's properties. The maximum financial effect uses this same figure applied to three properties, in case such an event impacted a cluster of Grainger assets. For properties identified as being vulnerable to flood risk, we have two clusters each with three assets that could be affected by a major flood event.

Primary response to risk

Policies and plans : Increase insurance coverage

Cost of response to risk

3990000

Explanation of cost calculation

Grainger has an insurance policy which covers our properties for potential losses related to flood damage. Our insurance includes the costs of rehousing tenants during such an event.

Description of response

Grainger has an insurance policy which covers our properties for potential losses related to flood damage. Our insurance includes the costs of rehousing tenants during such an event. This response ensures that the indirect costs from any flood events impacting our assets will be fully covered.

Response 3: Climate change

Risk identifier

Risk3

Risk types and primary environmental risk driver

Market: Changing customer behavior

Value chain stage where the risk occurs

Downstream value chain

Country/area where the risk occurs

United Kingdom

Organization-specific description of risk

Customer preferences for more energy efficient properties and concerns about the impacts of overheating in buildings may start to influence renting decisions in the future, affecting the demand for Grainger's build to rent properties if they are perceived to be less energy efficient or have a greater risk of overheating than other similar properties available to rent. This is most likely to be a significant risk in locations where there is a greater supply of build to rent properties for customers to choose from, such as London and Manchester. Grainger designs our build to rent properties to be highly energy efficient and to include measures to reduce overheating where this is an identified potential risk.

Primary financial effect of the risk

Decreased revenues due to reduced demand for products and services

Time horizon over which the risk is anticipated to have a substantive effect on the organization

Medium-term

Likelihood of the risk having an effect within the anticipated time horizon

More likely than not

Magnitude

Low

Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

If demand for Grainger's properties reduces because they are perceived to be less energy efficient and therefore more expensive to run or prone to overheating and therefore less comfortable, then the company may need to reduce the rent we can charge for these properties, reducing rental income and potentially impacting on valuations.

Are you able to quantify the financial effect of the risk?

Yes

Anticipated financial effect figure in the medium-term - minimum (currency)

0

Anticipated financial effect figure in the medium-term - maximum (currency)

6150000

Explanation of financial effect figure

The minimum impact figure is £0 as we consider there may be no need to reduce rents even if customer expectations increase and Grainger does not adapt our properties accordingly, as there is a significant

undersupply of rental housing in the UK and this is anticipated to continue. We may therefore be able to charge the same rents and retain full occupancy. The maximum impact figure is a conservative 5% decrease on our anticipated future rental income from build to rent properties, equivalent to just over £6 million. We have selected 5% as the key drivers of rental income remain location and price and we do not expect energy efficiency to have more than a 5% impact on the rents customers are happy to pay for their home.

Primary response to risk

Infrastructure, technology and spending : Increase environment-related capital expenditure

Cost of response to risk

2000000

Explanation of cost calculation

This risk will be managed by understanding the specific risks to each property by conducting an energy efficiency and overheating risk assessment and following the assessment, undertaking any recommended improvement works to the building to reduce its risk. The costs of improvement works are dependent on the recommendations identified through the assessment, and are estimated to be up to 500,000 per building. We currently have two operational new build properties located in an area assessed to be at high risk for overheating, and that have a communal heating system which we believe exacerbates this risk. We have two developments in a similar area and passive methods to combat overheating were implemented into the design, with a total cost of approximately 2 million.

Description of response

Our strategy is to ensure energy efficiency and overheating risks are assessed in the due diligence stage before acquisition so that mitigation methods can be incorporated into building design and considered in the purchase price if we decide to proceed with the acquisition. Information on building energy efficiency and overheating potential is assessed as part of the Investment Committee process for all new acquisitions. This response ensures our customers will be living in energy efficient and comfortable homes which should maximise Grainger's rental income.

Q3.1.2 Provide the amount and proportion of your financial metrics from the reporting year that are vulnerable to the substantive effects of environmental risks.

Response 1: Climate change

Financial metric

Assets

Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

157770987

% of total financial metric vulnerable to transition risks for this environmental issue

1-10%

Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

796300000

% of total financial metric vulnerable to physical risks for this environmental issue

21-30%

Explanation of financial figures

Transition risk has been calculated based on the value of PRS assets with EPC ratings below a C. This assumes the future mandatory minimum energy efficiency standard is confirmed as a C EPC rating and that properties with a rating below this level cannot be let. Physical risk has been calculated based on the value of assets vulnerable to flood risk based on the absolute flood risk in the geography where they are located. This assumes that these assets would be vulnerable to a one in 100 year flood event, but municipal and asset specific flood mitigations are anticipated to protect these properties in the event of a flood.

Response 2: Water

Financial metric

Assets

Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

0

% of total financial metric vulnerable to transition risks for this environmental issue

Less than 1%

Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

796300000

% of total financial metric vulnerable to physical risks for this environmental issue

21-30%

Explanation of financial figures

No transition risks with a material potential impact have been identified. Physical risk has been calculated based on the value of assets vulnerable to flood risk based on the absolute flood risk in the geography where they are located. This assumes that these assets would be vulnerable to a one in 100 year flood event, but municipal and asset specific flood mitigations are anticipated to protect these properties in the event of a flood.

Q3.2 Within each river basin, how many facilities are exposed to substantive effects of water-related risks, and what percentage of your total number of facilities does this represent?

Response 1: Row 1

Country/Area & River basin

United Kingdom of Great Britain and Northern Ireland: Thames

Value chain stages where facilities at risk have been identified in this river basin

Direct operations

Number of facilities within direct operations exposed to water-related risk in this river basin

3

% of your organization's total facilities within direct operations exposed to water-related risk in this river basin

1-25%

% organization's total global revenue that could be affected

1-10%

Please explain

Grainger has three operational assets in locations vulnerable to flood risk in the Thames river basin. The % of revenue that could be affected is the annual rental income from these assets as a % of total revenue for the year.

Response 2: Row 2

Country/Area & River basin

United Kingdom of Great Britain and Northern Ireland: Other: Aire and Calder

Value chain stages where facilities at risk have been identified in this river basin

Direct operations

Number of facilities within direct operations exposed to water-related risk in this river basin

2

% of your organization's total facilities within direct operations exposed to water-related risk in this river basin

100%

% organization's total global revenue that could be affected

1-10%

Please explain

Grainger has two operational assets in locations vulnerable to flood risk in the Aire and Calder river basin. The % of revenue that could be affected is the annual rental income from these assets as a % of total revenue for the year.

Response 3: Row 3

Country/Area & River basin

United Kingdom of Great Britain and Northern Ireland: Other: Irwell

Value chain stages where facilities at risk have been identified in this river basin

Direct operations

Number of facilities within direct operations exposed to water-related risk in this river basin

1

% of your organization's total facilities within direct operations exposed to water-related risk in this river basin

1-25%

% organization's total global revenue that could be affected

1-10%

Please explain

Grainger has one operational asset in a location vulnerable to flood risk in the Irwell river basin. The % of revenue that could be affected is the annual rental income from this asset as a % of total revenue for the year.

Response 4: Row 4

Country/Area & River basin

United Kingdom of Great Britain and Northern Ireland: Other: Avon

Value chain stages where facilities at risk have been identified in this river basin

Direct operations

Number of facilities within direct operations exposed to water-related risk in this river basin

2

% of your organization's total facilities within direct operations exposed to water-related risk in this river basin

51-75%

% organization's total global revenue that could be affected

1-10%

Please explain

Grainger has two operational assets in locations vulnerable to flood risk in the Avon river basin. The % of revenue that could be affected is the annual rental income from this asset as a % of total revenue for the year.

Response 5: Row 5

Country/Area & River basin

United Kingdom of Great Britain and Northern Ireland: Other: Don

Value chain stages where facilities at risk have been identified in this river basin

Direct operations

Number of facilities within direct operations exposed to water-related risk in this river basin

1

% of your organization's total facilities within direct operations exposed to water-related risk in this river basin

26-50%

% organization's total global revenue that could be affected

1-10%

Please explain

Grainger has one operational asset in a location vulnerable to flood risk in the Don river basin. The % of revenue that could be affected is the annual rental income from this asset as a % of total revenue for the year.

Response 6: Row 6

Country/Area & River basin

United Kingdom of Great Britain and Northern Ireland: Other: Derwent

Value chain stages where facilities at risk have been identified in this river basin

Direct operations

Number of facilities within direct operations exposed to water-related risk in this river basin

1

% of your organization's total facilities within direct operations exposed to water-related risk in this river basin

100%

% organization's total global revenue that could be affected

Less than 1%

Please explain

Grainger has one operational asset in a location vulnerable to flood risk in the Derwent river basin. The % of revenue that could be affected is the annual rental income from this asset as a % of total revenue for the year.

Response 7: Row 7

Country/Area & River basin

United Kingdom of Great Britain and Northern Ireland: Other: Southampton Water

Value chain stages where facilities at risk have been identified in this river basin

Direct operations

Number of facilities within direct operations exposed to water-related risk in this river basin

1

% of your organization's total facilities within direct operations exposed to water-related risk in this river basin

100%

% organization's total global revenue that could be affected

Less than 1%

Please explain

Grainger has one operational asset in a location vulnerable to storm surge from the Southampton Water basin. The % of revenue that could be affected is the annual rental income from this asset as a % of total revenue for the year.

Response 8: Row 8

Country/Area & River basin

United Kingdom of Great Britain and Northern Ireland: Trent

Value chain stages where facilities at risk have been identified in this river basin

Direct operations

Number of facilities within direct operations exposed to water-related risk in this river basin

1

% of your organization's total facilities within direct operations exposed to water-related risk in this river basin

100%

% organization's total global revenue that could be affected

1-10%

Please explain

Grainger has one operational asset in a location vulnerable to flood risk in the Trent river basin. The % of revenue that could be affected is the annual rental income from this asset as a % of total revenue for the year.

Q3.3 In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

No

Q3.5 Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, and we do not anticipate being regulated in the next three years

Q3.6 Have you identified any environmental opportunities which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

Response 1: Climate change

Environmental opportunities identified

Yes, we have identified opportunities, and some/all are being realized

Response 2: Water

Environmental opportunities identified

No

Primary reason why your organization does not consider itself to have environmental opportunities

Opportunities exist, but none anticipated to have a substantive effect on organization

Please explain

Water is not currently a key demand driver for customers. Grainger ensures our properties meet high standards for water efficiency and includes water saving content within our Living a Greener Life customer engagement campaign but water is less of a focus for our customers than energy or waste and recycling. We expect that in the future if water stress becomes more significant in the areas where our properties are located then it could become more of a focus for our customers and there may be an opportunity linked to increased demand from customers for more water efficient properties, but there is currently no evidence that this is the case.

Q3.6.1 Provide details of the environmental opportunities identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Response 1: Climate change

Opportunity identifier

Opp1

Opportunity type and primary environmental opportunity driver

Products and services: Shift in consumer preferences

Value chain stage where the opportunity occurs

Downstream value chain

Country/area where the opportunity occurs

United Kingdom

Organization specific description

As consumers are increasingly environmentally-aware and are more directly impacted by increasing costs of energy, demand for more energy efficient properties which minimise running costs for tenants may increase. Grainger considers energy efficiency in new property investment decisions to ensure we are purchasing more efficient properties - for example we consider the energy supply to the property and energy efficiency ratings for all acquisitions. We are actively marketing the energy efficiency credentials of our properties and we expect that in the future we may be able to increase rental income from these properties.

Primary financial effect of the opportunity

Increased revenues resulting from increased demand for products and services

Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Medium-term

Likelihood of the opportunity having an effect within the anticipated time horizon

More likely than not (50-100%)

Magnitude

Medium

Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

To date, there is limited evidence of tenants being willing to pay more rent for a property with a higher energy efficiency rating, however evidence from customer surveys we have undertaken suggests customers are concerned with the running costs of their properties and research undertaken by the Government suggests there is emerging evidence that the energy efficiency of a property is a consideration for Private Rented Sector tenants in rental decisions. The difference in running costs between a property with a typical (D EPC rating) and market leading (B EPC rating) energy efficiency has been calculated as £774 per year. It is therefore likely that our Private Rented Sector customers in a property with an EPC rating B or above would be willing to pay a proportion of this saving in increased rent for a more efficient property.

Are you able to quantify the financial effects of the opportunity?

Yes

Anticipated financial effect figure in the medium-term - minimum (currency)

2672050

Anticipated financial effect figure in the medium-term - maximum (currency)

5344100

Explanation of financial effect figures

Industry research suggests residents energy bills are equivalent to 8% of their rent and rising. Renting a more efficient property can reduce a residents energy bill by half. We have therefore assumed the maximum increased rent residents would pay for lower running costs would be 5% of their rent. We have calculated a 5% increase in our predicted medium-term net rental income and applied this as the maximum effect figure. If energy bills do not continue rising then this impact could be less significant and we have assumed only 50% of residents would pay higher rent or that the rent increase would be half in the minimum effect figure.

Cost to realize opportunity

4000000

Explanation of cost calculation

We are investing in business as usual activities which have no additional cost, including measuring the energy efficiency of our properties through EPC assessments, undertaking surveys and focus groups with our customers to understand their expectations regarding energy efficiency and marketing the energy efficient credentials of our properties. We are also investing £4 million in energy efficiency improvements to improve

the EPC ratings of properties on our long-term hold portfolio.

Strategy to realize opportunity

Our strategy is to improve the energy efficiency of our long-term hold properties. We undertake planned refurbishments to PRS properties designed to improve both energy efficiency and customer satisfaction. We review the energy efficiency improvements recommended on the EPC certificate for each property prior to undertaking works and commission new EPC assessments after to measure the impact of the works.

Response 2: Climate change

Opportunity identifier

Opp2

Opportunity type and primary environmental opportunity driver

Markets: Expansion into new markets

Value chain stage where the opportunity occurs

Direct operations

Country/area where the opportunity occurs

United Kingdom

Organization specific description

Being a responsible business with a strong commitment to minimising our negative environmental impacts and mitigating and managing climate change risk is supporting Grainger in securing partnership opportunities with local authorities and other Government bodies to develop new homes on their land, such as the joint venture with Transport for London that we secured in 2019 to develop new rental homes next to stations.

Primary financial effect of the opportunity

Increased revenues through access to new and emerging markets

Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Short-term

Likelihood of the opportunity having an effect within the anticipated time horizon

Very likely (90-100%)

Magnitude

High

Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

We have secured development opportunities with multiple local authorities and partners that have cited our sustainable approach as being a key factor in working with us. These have contributed to our development pipeline which could double the size of Grainger's portfolio and net rental income. An example is our partnership with Transport for London. Grainger's strong performance on environmental issues and

commitment to sustainable development contributed to securing the partnership.

Are you able to quantify the financial effects of the opportunity?

Yes

Anticipated financial effect figure in the short-term - minimum (currency)

2100000

Anticipated financial effect figure in the short-term - maximum (currency)

4100000

Explanation of financial effect figures

The minimum financial effect figure is the anticipated rent assuming one of the developments through our partnership with TfL is completed over the short-term and delivering rental income of £2.1 million. The maximum financial effect figure assumes two developments are completed delivering rental income of £4.1 million.

Cost to realize opportunity

120000

Explanation of cost calculation

We put a lot of resource into measuring and disclosing our sustainability performance through our sustainability reporting. These costs are business as usual, but our budget for sustainability reporting is 120,000 per annum.

Strategy to realize opportunity

Our strategy is to deliver strong performance and provide comprehensive disclosure of our performance on environmental issues to attract potential development partners and secure new opportunities to add to our development pipeline of energy efficient homes. When we are bidding for a potential development with a new partner, we provide information on our environmental performance and how we will minimise the climate-related impacts of the proposed developments we intend to deliver through the partnership.

Response 3: Climate change

Opportunity identifier

Opp3

Opportunity type and primary environmental opportunity driver

Capital flow and financing: Access to sustainability linked loans

Value chain stage where the opportunity occurs

Direct operations

Country/area where the opportunity occurs

United Kingdom

Organization specific description

Grainger has developed a Sustainable Finance Framework and has secured additional capital through two sustainability linked loans.

Primary financial effect of the opportunity

Increased access to capital at lower/more favorable rates

Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

The opportunity has already had a substantive effect on our organization in the reporting year

Magnitude

Medium

Effect of the opportunity on the financial position, financial performance and cash flows of the organization in the reporting period

Grainger has secured two sustainability-linked loans worth £175,000,000.

Are you able to quantify the financial effects of the opportunity?

Yes

Financial effect figure in the reporting year (currency)

175000000

Explanation of financial effect figures

This is the total value of the sustainability-linked loans secured, which enable Grainger to invest further in energy-efficient BTR schemes.

Cost to realize opportunity

850000

Explanation of cost calculation

The cost is calculated from the arrangement fees charged by the banks to be able to acquire the loans.

Strategy to realize opportunity

We have seen some increased appetite both from Grainger and from our lenders to link loans to metrics and targets related to environmental and social criteria. Grainger has developed a sustainable finance framework which sets out our approach to linking finance to our sustainability strategy. The additional capital secured will be allocated to fund acquisitions of new energy efficient rental homes, supporting the delivery of our other Opportunities.

Q3.6.2 Provide the amount and proportion of your financial metrics in the reporting year that are aligned with the substantive effects of environmental opportunities.

Response 1: Climate change

Financial metric

Revenue

Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

71088961

% of total financial metric aligned with opportunities for this environmental issue

51-60%

Explanation of financial figures

Grainger measures the proportion of rental income from highly energy efficient properties, defined as properties with EPC Rating B and above. This metric aligns to the metrics set in Grainger's sustainable finance framework and used by the climate bonds taxonomy. It assumes that customers that rent a more energy efficient property would be willing to invest some of the savings from their energy bills in paying higher rent.

Q4.1 Does your organization have a board of directors or an equivalent governing body?

Response 1:

Board of directors or equivalent governing body

Yes

Frequency with which the board or equivalent meets

More frequently than quarterly

Types of directors your board or equivalent is comprised of

- Independent non-executive directors or equivalent
- Executive directors or equivalent

Board diversity and inclusion policy

Yes, and it is publicly available

Briefly describe what the policy covers

Grainger's Equality, Diversity and Inclusion Policy covers the Company's business-wide commitments to promote equality, diversity and inclusion including in relation to tackling discrimination, providing equal opportunities and ensuring we provide an inclusive working environment for all colleagues. Specifically in relation to the Board, Grainger's policy is to ensure that both appointments and succession plans are based on merit and objective criteria and promote diversity of gender, social and ethnic backgrounds. For gender diversity specifically, the Board continues to support the Hampton-Alexander Review to promote greater female representation on listed company boards and the objective for the Board and the Committee is to consistently have at least one-third of the Board being female Directors. The Board is also mindful of the Parker Review regarding ethnic diversity on UK boards. The Review recommends that each FTSE 250 board should have at least one director of colour by 2024 and Grainger's Board has met this recommendation since 2021.

Attach the policy (optional)

Grainger plc - EDI Policy.pdf

Q4.1.1 Is there board-level oversight of environmental issues within your organization?

Board-level oversight of this environmental issue	
Climate change	Yes
Water	Yes
Biodiversity	Yes

Q4.1.2 Identify the positions (do not include any names) of the individuals or committees on the board with accountability for environmental issues and provide details of the board’s oversight of environmental issues.

Response 1: Climate change

Positions of individuals or committees with accountability for this environmental issue

Board-level committee

Positions’ accountability for this environmental issue is outlined in policies applicable to the board

Yes

Policies which outline the positions’ accountability for this environmental issue

Board Terms of Reference

Frequency with which this environmental issue is a scheduled agenda item

Scheduled agenda item in every board meeting (standing agenda item)

Governance mechanisms into which this environmental issue is integrated

- Overseeing reporting, audit, and verification processes
- Approving and/or overseeing employee incentives
- Monitoring compliance with corporate policies and/or commitments
- Reviewing and guiding annual budgets
- Approving corporate policies and/or commitments
- Overseeing and guiding acquisitions, mergers, and divestitures
- Reviewing and guiding innovation/R&D priorities
- Monitoring the implementation of a climate transition plan
- Monitoring progress towards corporate targets
- Overseeing and guiding the development of a climate transition plan
- Overseeing and guiding major capital expenditures
- Overseeing and guiding scenario analysis
- Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities
- Overseeing and guiding the development of a business strategy
- Monitoring the implementation of the business strategy
- Overseeing the setting of corporate targets

Please explain

An ESG/sustainability update which includes climate-related issues is a standing agenda item biannually at meetings of both Grainger’ s Executive Committee and the Board of Directors at meetings of the Board Responsible Business Committee. At the other regular meetings of the Board of Directors where

climate-related issues are not formally on the agenda, any pertinent climate-related issues are raised for discussion by the CFO who oversees the sustainability function and therefore the implementation of sustainability projects. At Responsible Business Committee meetings, net zero carbon is a standing agenda item and meeting papers are circulated prior to the meeting which provide an update on strategy, action plans, progress against targets and objectives, and raises pertinent issues for discussion and approval by the Committee or the Board (as appropriate). Such issues could include key risks identified for example forthcoming climate-related legislation, and approval of major capital expenditures for net zero projects. The paper is presented by Grainger's Head of Sustainability. Specific examples from within the reporting year include the Board of Directors receiving regular updates on progress towards measuring the company's Scope 3 emissions and developing the company's net zero transition plan. The Board approved budgets for undertaking initiatives in support of these programmes of work and in doing so considered trade-offs between improving the energy efficiency of the company's portfolio and increasing running costs for customers due to the higher costs of electricity compared to gas. Climate-related issues are also considered within the company's risk management framework which is overseen by the Executive Committee and Audit Committee (on behalf of the Board). During the year the Board was briefed on the company's climate change risk deep dive. Climate-related issues for specific projects are also considered at meetings of various sub-committees which report into the Executive Committee, including Development Board which considers environmental management on development sites and the Investment Committee which considers climate-related risks related to property acquisitions/investments. The CEO and CFO attend meetings of these sub-committees and updates are provided at main Board meetings. All Investment Committee papers presented to the Board include a section on ESG considerations of the potential investment.

Response 2: Water

Positions of individuals or committees with accountability for this environmental issue

Board-level committee

Positions' accountability for this environmental issue is outlined in policies applicable to the board

Yes

Policies which outline the positions' accountability for this environmental issue

Board Terms of Reference

Frequency with which this environmental issue is a scheduled agenda item

Scheduled agenda item in some board meetings - at least annually

Governance mechanisms into which this environmental issue is integrated

- Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities
- Overseeing and guiding major capital expenditures
- Overseeing and guiding scenario analysis
- Monitoring compliance with corporate policies and/or commitments
- Reviewing and guiding annual budgets
- Approving corporate policies and/or commitments
- Overseeing and guiding the development of a climate transition plan
- Monitoring the implementation of a climate transition plan
- Overseeing and guiding acquisitions, mergers, and divestitures
- Overseeing reporting, audit, and verification processes

Please explain

Flood risk is considered a potential material risk within the Company's principal risks and uncertainties review and is assessed within reviews of the company's risk framework and scenario analysis, with risk

updates provided to the Responsible Business Committee and Audit Committee at least annually. Water related risks such as flood risk and nutrient neutrality related to specific development sites are discussed at Board meetings where acquisitions and development updates are presented. All Investment Committee papers presented to the Board include a section on ESG considerations of the potential investment and the Board may give approval for acquisitions subject to risks being appropriately mitigated. Water is also incorporated within the Company's Environmental Policy which is approved by the Board.

Response 3: Biodiversity

Positions of individuals or committees with accountability for this environmental issue

Board-level committee

Positions' accountability for this environmental issue is outlined in policies applicable to the board

Yes

Policies which outline the positions' accountability for this environmental issue

Board Terms of Reference

Frequency with which this environmental issue is a scheduled agenda item

Sporadic - agenda item as important matters arise

Governance mechanisms into which this environmental issue is integrated

- Overseeing and guiding acquisitions, mergers, and divestitures
- Overseeing reporting, audit, and verification processes
- Reviewing and guiding annual budgets
- Monitoring compliance with corporate policies and/or commitments
- Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities
- Approving corporate policies and/or commitments

Please explain

Biodiversity related risks, opportunities and impact assessments related to specific development sites are discussed at Board meetings where acquisitions and development updates are presented. All Investment Committee papers presented to the Board include a section on ESG considerations of the potential investment. Biodiversity is also incorporated within the Company's Environmental Policy which is approved by the Board. During the year, the board reviewed if the Company should start reporting in alignment with the TNFD and considered the trade-off of increased requirements for our supply chain. It was determined that the current approach to reporting on biodiversity at a site rather than a corporate level remained appropriate.

Q4.2 Does your organization's board have competency on environmental issues?

Response 1: Climate change

Board-level competency on this environmental issue

Yes

Mechanisms to maintain an environmentally competent board

- Consulting regularly with an internal, permanent, subject-expert working group
- Having at least one board member with expertise on this environmental issue
- Integrating knowledge of environmental issues into board nominating process

- Engaging regularly with external stakeholders and experts on environmental issues

Environmental expertise of the board member

Experience: Executive-level experience in a role focused on environmental issues

Response 2: Water

Board-level competency on this environmental issue

Yes

Mechanisms to maintain an environmentally competent board

Having at least one board member with expertise on this environmental issue

Environmental expertise of the board member

Experience: Executive-level experience in a role focused on environmental issues

Q4.3 Is there management-level responsibility for environmental issues within your organization?

Management-level responsibility for this environmental issue	
Climate change	Yes
Water	Yes
Biodiversity	Yes

Q4.3.1 Provide the highest senior management-level positions or committees with responsibility for environmental issues (do not include the names of individuals).

Response 1: Climate change

Position of individual or committee with responsibility

Executive level: Chief Financial Officer (CFO)

Environmental responsibilities of this position

- Strategy and financial planning: Managing major capital and/or operational expenditures relating to environmental issues
- Policies, commitments, and targets: Monitoring compliance with corporate environmental policies and/or commitments
- Strategy and financial planning: Implementing the business strategy related to environmental issues
- Strategy and financial planning: Managing priorities related to innovation/low-environmental impact products or services (including R&D)
- Strategy and financial planning: Managing acquisitions, mergers, and divestitures related to environmental issues
- Engagement: Managing value chain engagement related to environmental issues
- Engagement: Managing supplier compliance with environmental requirements
- Dependencies, impacts, risks and opportunities: Assessing environmental dependencies, impacts, risks, and opportunities

- Dependencies, impacts, risks and opportunities: Managing environmental dependencies, impacts, risks, and opportunities
- Policies, commitments, and targets: Measuring progress towards environmental corporate targets
- Dependencies, impacts, risks and opportunities: Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- Other: Providing employee incentives related to environmental performance
- Strategy and financial planning: Developing a business strategy which considers environmental issues
- Policies, commitments, and targets: Setting corporate environmental policies and/or commitments
- Strategy and financial planning: Managing annual budgets related to environmental issues
- Policies, commitments, and targets: Setting corporate environmental targets
- Strategy and financial planning: Conducting environmental scenario analysis
- Strategy and financial planning: Managing environmental reporting, audit, and verification processes
- Strategy and financial planning: Implementing a climate transition plan
- Strategy and financial planning: Developing a climate transition plan

Reporting line

Reports to the board directly

Frequency of reporting to the board on environmental issues

More frequently than quarterly

Please explain

The CFO is a member of the Board of Directors and has oversight for the Sustainability function in the business. The Head of Sustainability reports into the CFO. The CFO oversees the assessment and management of environmental dependencies, impacts, risks and controls through the company's corporate risk framework and audit and internal controls programme. The CFO also oversees the Procurement and Innovation functions and ensures environmental issues are considered in the delivery of programmes of work within these functions. The CFO also oversees the company's environmental policies and initiatives including the Net Zero Transition Plan. The CFO is a member of the Investment Committee which assesses risks, dependencies and issues associated with potential new investments. The CFO provides a report to each Board meeting which includes a sustainability update.

Response 2: Water

Position of individual or committee with responsibility

Executive level: Chief Financial Officer (CFO)

Environmental responsibilities of this position

- Strategy and financial planning: Conducting environmental scenario analysis
- Strategy and financial planning: Managing environmental reporting, audit, and verification processes
- Strategy and financial planning: Managing acquisitions, mergers, and divestitures related to environmental issues
- Policies, commitments, and targets: Setting corporate environmental policies and/or commitments
- Dependencies, impacts, risks and opportunities: Managing environmental dependencies, impacts, risks, and opportunities
- Policies, commitments, and targets: Monitoring compliance with corporate environmental policies and/or commitments
- Strategy and financial planning: Developing a business strategy which considers environmental issues
- Engagement: Managing value chain engagement related to environmental issues
- Dependencies, impacts, risks and opportunities: Assessing environmental dependencies, impacts, risks,

and opportunities

- Strategy and financial planning: Implementing the business strategy related to environmental issues
- Dependencies, impacts, risks and opportunities: Assessing future trends in environmental dependencies, impacts, risks, and opportunities

Reporting line

Reports to the board directly

Frequency of reporting to the board on environmental issues

More frequently than quarterly

Please explain

The CFO is a member of the Board of Directors and has oversight for the Sustainability function in the business. The Head of Sustainability reports into the CFO. The CFO oversees the assessment and management of environmental dependencies, impacts, risks and controls through the company's corporate risk framework and audit and internal controls programme. The CFO also oversees the insurance function and matters relating to flood risk. The CFO also oversees the company's environmental policies and initiatives. The CFO is a member of the Investment Committee which assesses risks, dependencies and issues associated with potential new investments including flood risk and nutrient neutrality risk. The CFO provides a report to each Board meeting which includes a sustainability update.

Response 3: Biodiversity

Position of individual or committee with responsibility

Executive level: Chief Financial Officer (CFO)

Environmental responsibilities of this position

- Engagement: Managing value chain engagement related to environmental issues
- Dependencies, impacts, risks and opportunities: Managing environmental dependencies, impacts, risks, and opportunities
- Strategy and financial planning: Managing environmental reporting, audit, and verification processes
- Strategy and financial planning: Managing acquisitions, mergers, and divestitures related to environmental issues
- Policies, commitments, and targets: Monitoring compliance with corporate environmental policies and/or commitments
- Dependencies, impacts, risks and opportunities: Assessing environmental dependencies, impacts, risks, and opportunities
- Policies, commitments, and targets: Setting corporate environmental policies and/or commitments
- Strategy and financial planning: Developing a business strategy which considers environmental issues
- Strategy and financial planning: Implementing the business strategy related to environmental issues
- Dependencies, impacts, risks and opportunities: Assessing future trends in environmental dependencies, impacts, risks, and opportunities

Reporting line

Reports to the board directly

Frequency of reporting to the board on environmental issues

More frequently than quarterly

Please explain

The CFO is a member of the Board of Directors and has oversight for the Sustainability function in the business. The Head of Sustainability reports into the CFO. The CFO oversees the assessment and management of environmental dependencies, impacts, risks and controls through the company's corporate risk framework and audit and internal controls programme. The CFO also oversees the company's environmental policies and initiatives. The CFO is a member of the Investment Committee which assesses risks, dependencies and issues associated with potential new investments including biodiversity related risks and opportunities. The CFO provides a report to each Board meeting which includes a sustainability update.

Q4.5 Do you provide monetary incentives for the management of environmental issues, including the attainment of targets?

Response 1: Climate change

Provision of monetary incentives related to this environmental issue

Yes

% of total C-suite and board-level monetary incentives linked to the management of this environmental issue

6

Please explain

Carbon metrics have now been integrated into Grainger's LTIP for Executive Directors with a 10% weighting and performance will be assessed at the time of future potential vesting. This equates to 6% of the total monetary incentives.

Response 2: Water

Provision of monetary incentives related to this environmental issue

No, and we do not plan to introduce them in the next two years

Please explain

Water has not been identified as a sufficiently material risk or dependence for Grainger to consider it in Executive remuneration at this stage.

Q4.5.1 Provide further details on the monetary incentives provided for the management of environmental issues (do not include the names of individuals).

Response 1: Climate change

Position entitled to monetary incentive

Board or executive level: Chief Executive Officer (CEO)

Incentives

Shares

Performance metrics

- Targets: Reduction in absolute emissions in line with net-zero target
- Targets: Progress towards environmental targets

Incentive plan the incentives are linked to

Long-Term Incentive Plan, or equivalent, only (e.g. contractual multi-year bonus)

Further details of incentives

Grainger's CEO has an LTIP equivalent to 200% of salary which has 10% weighting for ESG measures split between operational and embodied carbon to cover the two most significant emissions sources for the company. The awards will be eligible to vest three years after grant, dependent upon continued employment and satisfying performance criteria. The ESG targets were based on: (i) Operational carbon (5% weighting) whereby 25% of this part of the award will vest for a 6% reduction in operational carbon per m2 for the PRS portfolio by 2026 (includes building-related emissions for Scopes 1, 2 and 3) increasing pro-rata to 100% vesting for a 12% reduction; and (ii) Embodied carbon (5% weighting) whereby 25% of this part of the award will vest for a 6% reduction in embodied carbon for direct development projects in design by 2026 increasing pro-rata to 100% vesting for a 12% reduction.

How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

The incentives are aligned to the two most significant sources of Grainger's emissions - operational emissions from Grainger's portfolio of residential buildings (Scope 1, 2 and Scope 3 category 13) and embodied emissions from development (Scope 3 category 2). The company's net zero transition plan is heavily focused on achieving reductions in these areas. The incentives have already contributed to reductions in the company's operational carbon emissions (measured through operational carbon intensity KPIs) and have helped the organisation identify opportunities to reduce embodied carbon on future development projects (measured through embodied carbon intensity KPIs). They support achievement of the company's net zero target, the science-based target which was awaiting validation at the time the incentives were set and the embodied carbon reduction target. Key actions taken include developing net zero asset plans to support operational emissions reductions and measuring embodied carbon on development projects to establish baselines to measure future emissions reductions.

Response 2: Climate change

Position entitled to monetary incentive

Board or executive level: Chief Financial Officer (CFO)

Incentives

Shares

Performance metrics

- Targets: Progress towards environmental targets
- Targets: Reduction in absolute emissions in line with net-zero target

Incentive plan the incentives are linked to

Long-Term Incentive Plan, or equivalent, only (e.g. contractual multi-year bonus)

Further details of incentives

Grainger's CFO has an LTIP equivalent to 175% of salary which has 10% weighting for ESG measures split between operational and embodied carbon to cover the two most significant emissions sources for the company. The awards will be eligible to vest three years after grant, dependent upon continued employment and satisfying performance criteria. The ESG targets were based on: (i) Operational carbon (5% weighting)

whereby 25% of this part of the award will vest for a 6% reduction in operational carbon per m2 for the PRS portfolio by 2026 (includes building-related emissions for Scopes 1, 2 and 3) increasing pro-rata to 100% vesting for a 12% reduction; and (ii) Embodied carbon (5% weighting) whereby 25% of this part of the award will vest for a 6% reduction in embodied carbon for direct development projects in design by 2026 increasing pro-rata to 100% vesting for a 12% reduction.

How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

The incentives are aligned to the two most significant sources of Grainger's emissions - operational emissions from Grainger's portfolio of residential buildings (Scope 1, 2 and Scope 3 category 13) and embodied emissions from development (Scope 3 category 2). The company's net zero transition plan is heavily focused on achieving reductions in these areas. The incentives have already contributed to reductions in the company's operational carbon emissions (measured through operational carbon intensity KPIs) and have helped the organisation identify opportunities to reduce embodied carbon on future development projects (measured through embodied carbon intensity KPIs). They support achievement of the company's net zero target, the science-based target which was awaiting validation at the time the incentives were set and the embodied carbon reduction target. Key actions taken include developing net zero asset plans to support operational emissions reductions and measuring embodied carbon on development projects to establish baselines to measure future emissions reductions.

Response 3: Climate change

Position entitled to monetary incentive

Senior-mid management: Environment/Sustainability manager

Incentives

Bonus - % of salary

Performance metrics

- Strategy and financial planning: Achievement of climate transition plan
- Targets: Progress towards environmental targets
- Strategy and financial planning: Increased alignment of capex with transition plan and/or sustainable finance taxonomy
- Emission reduction: Implementation of an emissions reduction initiative
- Resource use and efficiency: Improvements in emissions data, reporting, and third-party verification
- Engagement: Increased engagement with customers on environmental issues
- Engagement: Increased engagement with suppliers on environmental issues

Incentive plan the incentives are linked to

Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

Further details of incentives

Grainger's Head of Sustainability & CSR has annual objectives related to the implementation of the company's net zero transition plan and associated achievement of emissions reductions. These apply to the performance related bonus equivalent to a % of salary awarded on an annual basis. There is no minimum or maximum salary % as it is determined by performance. The objectives are linked to key workstreams for the delivery of the company's net zero transition plan and cover the key areas of the business including operational and development related carbon and engagement with the company's suppliers and customers.

How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

The incentives are linked to key workstreams for the delivery of the company's net zero transition plan and cover the key areas of the business including operational and development related carbon and engagement with the company's suppliers and customers. The objectives link to KPIs used to measure progress including for engagement related objectives % coverage of customer emissions actual data and % spend covered by supplier engagement. Some objectives set the framework to achieve emissions reductions towards the company's operational and embodied carbon targets and science-based target. Key actions taken include developing net zero asset plans to support operational emissions reductions and measuring embodied carbon on development projects to establish baselines to measure future emissions reductions.

Q4.6 Does your organization have an environmental policy that addresses environmental issues?

Yes

Q4.6.1 Provide details of your environmental policies.

Response 1: Row 1

Environmental issues covered

- Biodiversity
- Climate change
- Water

Level of coverage

Organization-wide

Value chain stages covered

- Direct operations
- Upstream value chain
- Downstream value chain

Explain the coverage

Grainger's Environmental Policy aligns to all business operations. This includes development activity and properties managed externally. It also applies to how we operate our homes for the benefit of our customers. There are no exclusions from our Environmental Policy

Environmental policy content

- Additional references/Descriptions: Description of environmental requirements for procurement
- Additional references/Descriptions: Reference to timebound environmental milestones and targets
- Environmental commitments: Commitment to stakeholder engagement and capacity building on environmental issues
- Environmental commitments: Commitment to comply with regulations and mandatory standards
- Environmental commitments: Commitment to take environmental action beyond regulatory compliance
- Climate-specific commitments: Commitment to net-zero emissions
- Environmental commitments: Other environmental commitment: Commitment to protect and enhance biodiversity for the benefit of the environment, local residents and the wider community and ensure that all timber purchased is certified to FSC or PEFC standards.
- Water-specific commitments: Commitment to control/reduce/eliminate water pollution
- Additional references/Descriptions: Description of impacts on natural resources and ecosystems

Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Yes, in line with the Paris Agreement

Public availability

Publicly available

Attach the policy

Grainger Environmental Policy 2024.pdf

Q4.10 Are you a signatory or member of any environmental collaborative frameworks or initiatives?

Response 1:

Are you a signatory or member of any environmental collaborative frameworks or initiatives?

Yes

Collaborative framework or initiative

- Other:
- Science-Based Targets Initiative (SBTi)
- Task Force on Climate-related Financial Disclosures (TCFD)

Describe your organization's role within each framework or initiative

Grainger is a TCFD Supporter and reports in alignment with the TCFD.

Grainger has a science-based target validated by the SBTi.

Grainger is a signatory to the World Green Building Council's Net Zero Carbon Buildings Commitment

Q4.11 In the reporting year, did your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may (positively or negatively) impact the environment?

Response 1:

External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the environment

- Yes, we engaged indirectly through, and/or provided financial or in-kind support to a trade association or other intermediary organization or individual whose activities could influence policy, law, or regulation
- Yes, we engaged directly with policy makers

Indicate whether your organization has a public commitment or position statement to conduct your engagement activities in line with global environmental treaties or policy goals

Yes, we have a public commitment or position statement in line with global environmental treaties or policy goals

Global environmental treaties or policy goals in line with public commitment or position statement

Paris Agreement

Attach commitment or position statement

Grainger net zero carbon pathway engagement section.pdf

Indicate whether your organization is registered on a transparency register

No

Describe the process your organization has in place to ensure that your external engagement activities are consistent with your environmental commitments and/or transition plan

Grainger's transition plan is aligned to the UK Government's net zero target which aligns to the Paris Agreement. Our transition plan sets out how we engage with our stakeholders on matters relating to the transition, including with our suppliers, customers and industry/Government stakeholders. Grainger's Director of Corporate Affairs oversees all engagement activity to ensure that it is aligned to the company's business strategies, and is a member of the business's Executive Committee where regular updates on environmental commitments and Grainger's net zero transition plan are provided. At meetings of the business's Executive Committee, participants in specific engagement activities (such as members who sit on British Property Federation Committees) feedback on the engagement activities and the outcomes of these, such as providing policy updates. Actions arising from engagement activities are discussed, allocated to a specific representative and disseminated to appropriate business divisions by the business division representative present at the meeting. The business division representatives include members of the organisation's Operations and Development Boards where specific engagement activities related to these divisions is discussed. This reporting structure ensures that any direct or indirect engagement activities in relation to policy are consistent with Grainger's overall sustainability and business strategies. Engagement activities related to environmental commitments and the transition plan are discussed at the Board Responsible Business Committee which meets twice annually to ensure that environmental topics including climate commitments and our transition plan have increased Board level oversight. External engagement is a standing agenda item at all meetings of the Responsible Business Committee. We also ensure that Grainger employees are familiar with our transition plan and net zero commitment by conducting sustainability training, and through communication of our policies and our transition plan which employees are made aware of and are available on our website and intranet. This ensures our employees act consistently with our transition plan and commitments when undertaking all activities, including those that influence policy.

Q4.11.1 On what policies, laws, or regulations that may (positively or negatively) impact the environment has your organization been engaging directly with policy makers in the reporting year?

Response 1: Row 1

Specify the policy, law, or regulation on which your organization is engaging with policy makers

Minimum Energy Efficiency Regulations - requirements for properties to meet a specific level of energy efficiency in order to be let

Environmental issues the policy, law, or regulation relates to

Climate change

Focus area of policy, law, or regulation that may impact the environment

Energy and renewables: Energy efficiency requirements

Geographic coverage of policy, law, or regulation

National

Country/area/region the policy, law, or regulation applies to

United Kingdom

Your organization's position on the policy, law, or regulation

Support with no exceptions

Type of direct engagement with policy makers on this policy, law, or regulation

- Regular meetings
- Participation in working groups organized by policy makers
- Responding to consultations

Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)

0

Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

Minimum Energy Efficiency Standards require residential landlords such as Grainger to meet a specific level of energy efficiency in order to let a property. Grainger is supportive of these regulations which have informed Grainger's EPC strategy, to improve the energy efficiency of all our PRS properties to an EPC C or above. We undertake a new EPC assessment following the completion of refurbishment works to our properties to measure the improvement and this is one of the key metrics used to measure progress towards our transition plan. Because improving the EPC usually requires refurbishment works to the property, Grainger has engaged with Government directly and indirectly through industry bodies we are members of to ensure that the future trajectory of minimum energy efficiency standards is clear and to avoid multiple changes to the standards which would require multiple refurbishments, increasing costs and causing disruption to residents. The success of our engagement is measured through discussions with Government and industry bodies, and based on the contents of the regulations and associated guidance to landlords when they are published.

Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Yes, we have evaluated, and it is aligned

Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation

Paris Agreement

Response 2: Row 2

Specify the policy, law, or regulation on which your organization is engaging with policy makers

Building Regulations - stronger energy and operational / embodied carbon requirements in building regulations for the construction of new homes

Environmental issues the policy, law, or regulation relates to

Climate change

Focus area of policy, law, or regulation that may impact the environment

Other: Construction and housing

Geographic coverage of policy, law, or regulation

National

Country/area/region the policy, law, or regulation applies to

United Kingdom

Your organization's position on the policy, law, or regulation

Support with no exceptions

Type of direct engagement with policy makers on this policy, law, or regulation

- Responding to consultations
- Discussion in public forums

Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)

0

Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

Grainger is supportive of the Future Homes Standard which will require all new homes to have non-fossil fuel heating. This has informed Grainger's transition plan commitment to replace all fossil fuel heating systems in our buildings once they reach the end of their life and means we will no longer be required by planning regulations to build some homes with fossil fuel heating, reducing the number of replacements we need to undertake. Grainger has engaged directly with Government by responding to the consultations on the new standards, demonstrating our support and asking for the same fossil-fuel free requirement to apply to homes required to connect into district heating networks. Grainger has also supported proposals for embodied carbon requirements to be added to building regulations. We measure the success of our engagement through the detail in the building regulations.

Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Yes, we have evaluated, and it is aligned

Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation

Paris Agreement

Response 3: Row 3

Specify the policy, law, or regulation on which your organization is engaging with policy makers

UK GDPR - Consumer data protection applied to obtaining customer energy use data for the purpose of calculating customer emissions

Environmental issues the policy, law, or regulation relates to

Climate change

Focus area of policy, law, or regulation that may impact the environment

Other: Construction and housing

Geographic coverage of policy, law, or regulation

National

Country/area/region the policy, law, or regulation applies to

United Kingdom

Your organization's position on the policy, law, or regulation

Support with no exceptions

Type of direct engagement with policy makers on this policy, law, or regulation

- Discussion in public forums
- Participation in working groups organized by policy makers

Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)

0

Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

Grainger has been engaging with Government directly and through industry bodies seeking clarity on how the UK GDPR applies to customer energy data and proposing applying the 'Data for Good' programme to energy data consumed in UK homes so that landlords can access smart meter data to measure the actual energy and carbon used in the properties they own. Improved access to customer energy use data enables Grainger to more accurately measure Scope 3 emissions and to understand the impact of carbon reduction activities and is critical to measuring progress towards our transition plan. Our engagement has included participating in Government workshops and contributing to a piece of research by the British Property Federation on the data related barriers to the sector achieving net zero. We measure success of our engagement through feedback from Government and industry bodies, and ultimately through access to customer energy use data.

Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Yes, we have evaluated, and it is aligned

Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation

Paris Agreement

Response 4: Row 4

Specify the policy, law, or regulation on which your organization is engaging with policy makers

Nutrient neutrality - local planning policy requirements to ensure nutrient loads from new developments are mitigated

Environmental issues the policy, law, or regulation relates to

Water

Focus area of policy, law, or regulation that may impact the environment

Environmental impacts and pressures: Water pollution

Geographic coverage of policy, law, or regulation

Sub-national

Country/area/region the policy, law, or regulation applies to

United Kingdom

Your organization's position on the policy, law, or regulation

Oppose

Details of any exceptions and your organization's proposed alternative approach to the policy, law, or regulation

Grainger opposes limits on new developments in nutrient neutrality affected areas because the development is not the primary contributor to the nutrient load. Use of pesticides in agriculture and leaking pipes and deliberate releases of sewage by utilities companies are much more significant contributors and we believe the regulation should be targeted at these organisations not housebuilders. Where a development already has outline planning permission, we believe development should be able to proceed to avoid stalling development and the delivery of new homes.

Type of direct engagement with policy makers on this policy, law, or regulation

- Regular meetings
- Discussion in public forums

Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)

0

Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

Nutrient neutrality requirements affect one of Grainger's developments in the Solent basin, and has impacted the pace of delivery of new highly energy efficient homes which is key to Grainger's transition plan. The mitigation methods Grainger has put in place at this development to comply with planning policy requirements on nutrient neutrality - Sustainable Urban Drainage Systems and increasing green space - have wider benefits for resilience of the site in a changing climate and should be required as part of local planning policy anyway, and this should be prioritised over mitigating nitrate neutrality off-site which is one of the allowed mitigation methods. Grainger is engaging locally with planning policy makers to ensure the requirements are consistent, particularly when a development straddles multiple local authority areas and to ensure delivery of new homes can proceed. The success of our engagement is measured through the pace of development delivery on the site.

Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

No, we have not evaluated

Q4.11.2 Provide details of your indirect engagement on policy, law, or regulation that may (positively or negatively) impact the environment through trade associations or other intermediary organizations or individuals in the reporting year.

Response 1: Row 1

Type of indirect engagement

Indirect engagement via a trade association

Trade association

Europe: Other trade association in Europe: European Public Real Estate Association (EPRA)

Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

- Water
- Climate change

Indicate whether your organization's position is consistent with the organization or individual you engage with

Consistent

Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

EPRA supports the transition towards a sustainable built environment by promoting sustainability reporting and identifying opportunities for EPRA's members related to sustainability regulations and initiatives at European level. EPRA is actively influencing sustainability reporting through different initiatives including the development of Sustainability best practice recommendations (BPRs) and guidance for European listed real estate companies covering energy, carbon and water reporting. Grainger is promoting the use of the EPRA BPRs on Sustainability Reporting across the real estate sector by reporting against these in our annual reporting. Grainger inputted to the development of the EPRA BPRs on Sustainability Reporting and now uses these guidelines for our annual sustainability reporting. Grainger's CEO sits on the EPRA Board of Directors, which meets regularly to advise and guide EPRA's activities in all areas including sustainability.

Funding figure your organization provided to this organization or individual in the reporting year (currency)

8994

Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

Grainger's contribution funds our membership of the organisation, which enables the company to be represented on the EPRA Board of Directors and to therefore influence the agenda of the organisation in all areas including climate and water related issues.

Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Yes, we have evaluated, and it is aligned

Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Paris Agreement

Response 2: Row 2

Type of indirect engagement

Indirect engagement via a trade association

Trade association

Europe: Other trade association in Europe: British Property Federation

Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Climate change

Indicate whether your organization's position is consistent with the organization or individual you engage with

Consistent

Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

The BPF is campaigning to make Government aware of the Build to Rent sector's importance, including in relation to the energy efficiency benefits it provides, and to encourage a more favourable policy landscape for Build to Rent property development. The BPF's Sustainability Committee is engaging with policymakers directly on climate-related legislation such as the Minimum Energy Efficiency Regulations and has developed a carbon manifesto for the sector which Grainger contributed to. Grainger representatives participate in various BPF Committees to share insights into the sector and its material sustainability issues, including energy efficiency. In collaboration with the BPF, we attempt to influence Government policy through a number of ways including organising events and property tours for Government representatives, speaking at Government conferences, and participating in Government consultations. We also have a representative on the BPF Sustainability Committee and Residential ESG Working Group, which inputs directly into BPF's sustainability programme of work, including participating in the BPF's direct engagement with policymakers on legislation and the development of a best practice guide to sustainability standards for the residential sector.

Funding figure your organization provided to this organization or individual in the reporting year (currency)

45160

Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

Grainger's contributions to British Property Federation membership aim to secure the organisation's representation on Committees and working groups and to ensure Grainger can participate in the BPF's policy campaign work including on climate-related policies and the development of the carbon manifesto for the sector

Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Yes, we have evaluated, and it is aligned

Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Paris Agreement

Response 3: Row 3

Type of indirect engagement

Indirect engagement via a trade association

Trade association

Europe: Other trade association in Europe: Business LDN

Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Climate change

Indicate whether your organization's position is consistent with the organization or individual you engage with

Consistent

Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

No, we did not attempt to influence their position

Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

Business LDN is focused on supporting businesses to commit to ambitious sustainability targets, safeguarding the capital against the adverse impacts of climate change and ensuring that London is a world-leader for green growth and jobs. Business LDN seeks to inform policy-setting in London which includes sustainability requirements for new developments being built in the capital where Grainger has some projects. Grainger is a member of Business LDN and participates in some of its programmes and events to share learnings with other businesses, including participating in its sustainability forum.

Funding figure your organization provided to this organization or individual in the reporting year (currency)

22200

Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

Grainger's contribution funds our membership of the organisation and enables Grainger colleagues to participate in events and projects to develop new best practice which informs sustainability policy in London. Examples include participating in a working group to develop a London-wide carbon offsetting approach.

Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Yes, we have evaluated, and it is aligned

Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Paris Agreement

Response 4: Row 4

Type of indirect engagement

Indirect engagement via a trade association

Trade association

Europe: Other trade association in Europe: UK Green Building Council

Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

- Climate change
- Water

Indicate whether your organization's position is consistent with the organization or individual you engage with

Consistent

Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

No, we did not attempt to influence their position

Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

UKGBC is at the forefront of positively influencing policy, identifying the pathways to propel the sector forward sustainably and driving the solutions to transform our buildings, communities, cities and infrastructure so that people and nature thrive. Grainger supports UKGBC's position through our membership, and supporting projects to develop industry level standards and guidance such as the Net Zero Carbon Buildings Standard. UKGBC coordinates industry positions for policy discussions with Government including on building regulations and embodied carbon.

Funding figure your organization provided to this organization or individual in the reporting year (currency)

9620

Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

Grainger's contribution funds our membership of the organisation, as well as our access to their learning platform, members-only events and training and working groups that develop best practice guidance for the sector, such as the net zero whole life carbon roadmap which has been shared with Government to inform policy setting.

Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Yes, we have evaluated, and it is aligned

Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Paris Agreement

Q4.12 Have you published information about your organization's response to environmental issues for this reporting year in places other than your CDP response?

Yes

Q4.12.1 Provide details on the information published about your organization's response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.

Response 1: Row 1

Publication

In mainstream reports, in line with environmental disclosure standards or frameworks

Standard or framework the report is in line with

TCFD

Environmental issues covered in publication

- Water
- Biodiversity
- Climate change

Status of the publication

Complete

Content elements

- Strategy
- Dependencies & Impacts
- Governance
- Public policy engagement
- Emission targets
- Risks & Opportunities

- Value chain engagement
- Biodiversity indicators
- Emissions figures

Page/section reference

Page 30 - KPIs,
Pages 37 - 47 - Sustainability
Pages 48-54 - TCFD
Page 63 - Climate change risk
Pages 111-114 GHG emissions

Attach the relevant publication

Grainger_ARA24.pdf

Comment

Grainger reports relevant information in the Sustainability section in the Annual Report and Accounts. This includes a full TCFD report. We report on climate change risk within our principal risks and provide a full GHG emissions report covering Scopes 1, 2 and 3.

Response 2: Row 2

Publication

In voluntary sustainability reports

Environmental issues covered in publication

- Climate change
- Water

Status of the publication

Complete

Content elements

- Water accounting figures
- Emissions figures

Page/section reference

Pages 6 and 8 - emissions figures
Page 10 - water figures

Attach the relevant publication

Grainger EPRA Sustainability Performance Measures 2024.pdf

Comment

Grainger reports relevant information in an annual Sustainability Report aligned to the EPRA Sustainability Best Practice Recommendations

Q5.1 Does your organization use scenario analysis to identify environmental outcomes?

	Use of scenario analysis	Frequency of analysis
Climate change	Yes	Annually
Water	Yes	Annually

Q5.1.1 Provide details of the scenarios used in your organization’s scenario analysis.

Response 1: Climate change

Scenario used

Physical climate scenarios: RCP 2.6

Scenario used SSPs used in conjunction with scenario

No SSP used

Approach to scenario

Quantitative

Scenario coverage

Organization-wide

Risk types considered in scenario

- Acute physical
- Chronic physical

Temperature alignment of scenario

1.5°C or lower

Reference year

2022

Timeframes covered

- 2030
- 2050
- 2100

Driving forces in scenario

Direct interaction with climate: On asset values, on the corporate

Assumptions, uncertainties and constraints in scenario

Grainger used RCP 2.6 to review physical climate risks for the company’s long-term hold assets. This analysis is quantitative. Physical assets (locations) are considered exposed if located in an area where a climate hazard may occur. The degree of exposure is defined by the severity / intensity of that hazard. For example, if an asset has a very high flood exposure, this means that the asset location is in an area which could flood. The intensity

in this case is represented by the probability (or return period) of that flood, which in the case of very high means 1% probability in a given year. That is equivalent to 100 year return period. The intensity measures are different for different hazards but moderate exposure or above means that there could be a material impact. All material risks within the analysis have a score of 3 and above. Not all climate risks can be expressed with a return period and for those a relative intensity metric is used. The key assumption is that the analysis focuses on the vulnerability of the locations of our portfolio and pipeline assets to potential climate hazards and does not take into account specific asset mitigation measures which would change the severity of the risk.

Rationale for choice of scenario

Grainger chose these scenarios because they align to a lower potential warming scenario which could impact the operation of Grainger's assets in the short to medium-term. They assume that global efforts to limit temperate rise to 1.5 degrees in alignment with the Paris Agreement are successful and are therefore aligned to the UK Government's net zero policy agenda and net zero target which has informed Grainger's net zero transition plan. The data sources for climate hazards are derived from various data sources including Wills Towers Watson's tools Global Peril Diagnostic and Climate Diagnostic, data from MunichRe Nathan, SwissRe CatNet, British Geological Survey, and research findings from UKCP18, CCRA, ABI and the Intergovernmental Panel of Climate Change IPCC. These scenarios align to critical assumptions in our strategy and financial planning regarding the locations where we plan to own long-term holds assets, informed by our asset hierarchy.

Response 2: Water

Scenario used

Physical climate scenarios: RCP 2.6

Scenario used SSPs used in conjunction with scenario

No SSP used

Approach to scenario

Quantitative

Scenario coverage

Organization-wide

Risk types considered in scenario

Chronic physical

Temperature alignment of scenario

1.5°C or lower

Reference year

2022

Timeframes covered

- 2100
- 2030
- 2050

Driving forces in scenario

Direct interaction with climate: On asset values, on the corporate

Assumptions, uncertainties and constraints in scenario

Grainger used RCP 2.6 to review physical climate risks for the company's long-term hold assets. This analysis is quantitative. Physical assets (locations) are considered exposed if located in an area where a climate hazard may occur. The degree of exposure is defined by the severity / intensity of that hazard. For example, if an asset has a very high flood exposure, this means that the asset location is in an area which could flood. The intensity in this case is represented by the probability (or return period) of that flood, which in the case of very high means 1% probability in a given year. That is equivalent to 100 year return period. The intensity measures are different for different hazards but moderate exposure or above means that there could be a material impact. All material risks within the analysis have a score of 3 and above. Not all climate risks can be expressed with a return period and for those a relative intensity metric is used. The key assumption is that the analysis focuses on the vulnerability of the locations of our portfolio and pipeline assets to potential climate hazards and does not take into account specific asset mitigation measures which would change the severity of the risk.

Rationale for choice of scenario

Grainger chose these scenarios because they align to a lower potential warming scenario which could impact the operation of Grainger's assets in the short to medium-term. They assume that global efforts to limit temperate rise to 1.5 degrees in alignment with the Paris Agreement are successful and are therefore aligned to the UK Government's net zero policy agenda and net zero target which has informed Grainger's net zero transition plan. The data sources for climate hazards are derived from various data sources including Wills Towers Watson's tools Global Peril Diagnostic and Climate Diagnostic, data from MunichRe Nathan, SwissRe CatNet, British Geological Survey, and research findings from UKCP18, CCRA, ABI and the Intergovernmental Panel of Climate Change IPCC. These scenarios align to critical assumptions in our strategy and financial planning regarding the locations where we plan to own long-term holds assets, informed by our asset hierarchy.

Response 3: Climate change

Scenario used

Physical climate scenarios: RCP 8.5

Scenario used SSPs used in conjunction with scenario

No SSP used

Approach to scenario

Quantitative

Scenario coverage

Organization-wide

Risk types considered in scenario

- Chronic physical
- Acute physical

Temperature alignment of scenario

4.0°C and above

Reference year

2022

Timeframes covered

- 2030
- 2050
- 2100

Driving forces in scenario

Direct interaction with climate: On asset values, on the corporate

Assumptions, uncertainties and constraints in scenario

Grainger used RCP 8.5 to review physical climate risks for the company's long-term hold assets. This analysis is quantitative. Physical assets (locations) are considered exposed if located in an area where a climate hazard may occur. The degree of exposure is defined by the severity / intensity of that hazard. For example, if an asset has a very high flood exposure, this means that the asset location is in an area which could flood. The intensity in this case is represented by the probability (or return period) of that flood, which in the case of very high means 1% probability in a given year. That is equivalent to 100 year return period. The intensity measures are different for different hazards but moderate exposure or above means that there could be a material impact. All material risks within the analysis have a score of 3 and above. Not all climate risks can be expressed with a return period and for those a relative intensity metric is used. The key assumption is that the analysis focuses on the vulnerability of the locations of our portfolio and pipeline assets to potential climate hazards and does not take into account specific asset mitigation measures which would change the severity of the risk.

Rationale for choice of scenario

Grainger chose these scenarios because they align to a higher potential warming scenario which could impact the operation of Grainger's assets in the long-term. They impact how resilient Grainger's assets would be in the face of significant warming, which could impact customer demand for our properties. They assume that global efforts to limit temperature rise to 1.5 degrees in alignment with the Paris Agreement is unsuccessful. The data sources for climate hazards are derived from various data sources including Wills Towers Watson's tools Global Peril Diagnostic and Climate Diagnostic, data from MunichRe Nathan, SwissRe CatNet, British Geological Survey, and research findings from UKCP18, CCRA, ABI and the Intergovernmental Panel of Climate Change IPCC. These scenarios align to critical assumptions in our strategy and financial planning regarding the locations where we plan to own long-term holds assets, informed by our asset hierarchy.

Response 4: Climate change

Scenario used

Climate transition scenarios: Customized publicly available climate transition scenario:

Approach to scenario

Qualitative and quantitative

Scenario coverage

Organization-wide

Risk types considered in scenario

- Technology
- Policy
- Market

Temperature alignment of scenario

1.5°C or lower

Reference year

2020

Timeframes covered

- 2025
- 2030
- 2050

Driving forces in scenario

Regulators, legal and policy regimes : Other regulators, legal and policy regimes driving forces: UK net zero regulation and policy

Assumptions, uncertainties and constraints in scenario

Grainger uses the Climate Change Committee Scenarios used by the UK Government to define the UK's Net Zero Strategy. These scenarios assume all emissions from buildings in the UK are eliminated by 2050. The parameters include four priorities which are delivering on the UK Government's energy efficiency plans to upgrade all buildings to EPC C, increased adoption of heat pumps, shifting heat networks away from fossil fuels and a potential role for hydrogen in heating homes. The assumptions include levels of behaviour change and speed of adoption of different technologies. Analytical choices include the 2050 timeline for the Balanced Net Zero Pathway which uses data from the Sixth Carbon Budget Report. It uses a central phase out date of 2028 for high-carbon fossil fuel boilers not connected to the gas grid, and a phase out date of 2033 for gas boilers. It requires all rented homes to meet EPC C by 2028 and requires new homes to be net zero from 2025. This analysis was qualitative.

Rationale for choice of scenario

Grainger chose these scenarios because they provide detail specific to residential properties which is our core service. These scenarios inform the policies set by the UK Government which impact on Grainger's net zero transition plan and sit as key assumptions before our net zero transition plan, including the pace of decarbonisation and the policy regarding decarbonising heating for UK homes. The scenarios align to the Paris Agreement and inform the UK's net zero policies and targets. The data sources include internal data from Grainger's portfolio including data from energy audits and EPC data from the Government's EPC database. The scenarios align to assumptions in Grainger's strategy and financial planning in relation to decarbonisation of heat in our property portfolio and our timeline for investment in replacing gas boilers.

Response 5: Water

Scenario used

Physical climate scenarios: RCP 8.5

Scenario used SSPs used in conjunction with scenario

No SSP used

Approach to scenario

Quantitative

Scenario coverage

Organization-wide

Risk types considered in scenario

- Acute physical
- Chronic physical

Temperature alignment of scenario

4.0°C and above

Reference year

2022

Timeframes covered

- 2100
- 2030
- 2050

Driving forces in scenario

Direct interaction with climate: On asset values, on the corporate

Assumptions, uncertainties and constraints in scenario

Grainger used RCP 8.5 to review physical climate risks for the company's long-term hold assets. This analysis is quantitative. Physical assets (locations) are considered exposed if located in an area where a climate hazard may occur. The degree of exposure is defined by the severity / intensity of that hazard. For example, if an asset has a very high flood exposure, this means that the asset location is in an area which could flood. The intensity in this case is represented by the probability (or return period) of that flood, which in the case of very high means 1% probability in a given year. That is equivalent to 100 year return period. The intensity measures are different for different hazards but moderate exposure or above means that there could be a material impact. All material risks within the analysis have a score of 3 and above. Not all climate risks can be expressed with a return period and for those a relative intensity metric is used. The key assumption is that the analysis focuses on the vulnerability of the locations of our portfolio and pipeline assets to potential climate hazards and does not take into account specific asset mitigation measures which would change the severity of the risk.

Rationale for choice of scenario

Grainger chose these scenarios because they align to a higher potential warming scenario which could impact the operation of Grainger's assets in the long-term. They impact how resilient Grainger's assets would be in the face of significant warming, which could impact customer demand for our properties. They assume that global efforts to limit temperature rise to 1.5 degrees in alignment with the Paris Agreement is unsuccessful. The data sources for climate hazards are derived from various data sources including Wills Towers Watson's tools Global Peril Diagnostic and Climate Diagnostic, data from MunichRe Nathan, SwissRe CatNet, British Geological Survey, and research findings from UKCP18, CCRA, ABI and the Intergovernmental Panel of Climate

Change IPCC. These scenarios align to critical assumptions in our strategy and financial planning regarding the locations where we plan to own long-term holds assets, informed by our asset hierarchy.

Q5.1.2 Provide details of the outcomes of your organization's scenario analysis.

Response 1: Climate change

Business processes influenced by your analysis of the reported scenarios

- Strategy and financial planning
- Risk and opportunities identification, assessment and management
- Target setting and transition planning

Coverage of analysis

Organization-wide

Summarize the outcomes of the scenario analysis and any implications for other environmental issues

Grainger is supportive of the UK 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 UK Government to develop its climate-related policies. We consider these scenarios relevant to assess the resilience of Grainger's business because they consider implications for UK residential properties and inform the policies that sit as assumptions behind Grainger's 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 UK Government's net zero target deadline.

This analysis demonstrated that our strategy to sell out of 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. This investment has significantly improved the energy efficiency of our portfolio and therefore our resilience to transition risks.

We have considered the potential impact of two 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 8.5 which assumes minimal abatement of GHG and associated global warming of 4°C over the longer term.

These scenarios were considered over three timelines: the current position, short-term (2030s) and medium to long-term (2050s and beyond) and considered all current PRS assets and pipeline assets. The assessment was undertaken in FY22 and will be reviewed every three years. Our assessments indicate that our portfolio would remain operational under both 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. The Company's 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.

Under a high emissions scenario from the 2050s, 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 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.

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. 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 in place of new development
- Provisions to meet short-term costs if one or more assets are affected by an acute climate event.

Response 2: Water

Business processes influenced by your analysis of the reported scenarios

Risk and opportunities identification, assessment and management

Coverage of analysis

Organization-wide

Summarize the outcomes of the scenario analysis and any implications for other environmental issues

We have considered the potential impact of two 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 8.5 which assumes minimal abatement of GHG and associated global warming of 4°C over the longer term.

These scenarios were considered over three timelines: the current position, short-term (2030s) and medium to long-term (2050s and beyond) and considered all current PRS assets and pipeline assets. The assessment was undertaken in FY22 and will be reviewed every three years. Our assessments indicate that our portfolio would remain operational under both 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 risk. The Company's 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.

Under a high emissions scenario from the 2050s, 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 building design. We will continue to assess potential risks in due diligence for future acquisitions and to make appropriate adaptations where required.

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. 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 physical risks
- Provisions to meet short-term costs if one or more assets are affected by an acute climate event.

Q5.2 Does your organization's strategy include a climate transition plan?

Response 1:

Transition plan

Yes, we have a climate transition plan which aligns with a 1.5°C world

Publicly available climate transition plan

Yes

Plan explicitly commits to cease all spending on, and revenue generation from, activities that contribute to fossil fuel expansion

Yes

Description of activities included in commitment and implementation of commitment

Grainger's net zero transition plan includes our commitment to replace all remaining gas heating systems in all our properties at the end of their lifecycle from 2030, which will eliminate revenues from properties reliant on fossil fuels. There are currently approximately 1000 gas boilers within Grainger's long-term hold operational portfolio and pipeline but this represents less than 10% of our activities and is declining as we sell out of non-transition aligned properties and upgrade the heating systems in our properties to use all-electric systems.

Mechanism by which feedback is collected from shareholders on your climate transition plan

We have a different feedback mechanism in place

Description of feedback mechanism

Grainger undertakes regular direct engagement with our shareholders through investor roadshows and meetings. At these meetings we discuss environmental performance including topics related to our net zero transition plan with our shareholders and obtain their feedback directly. We also provide regular updates on progress against our net zero transition plan in our investor presentations and disclosures. We do not currently include a vote on the company's net zero transition plan at company AGMs as following a review of market practice it was deemed not to be common practice in the real estate sector currently, however we will continue to review this in the future.

Frequency of feedback collection

More frequently than annually

Description of key assumptions and dependencies on which the transition plan relies

The key assumptions included in our transition plan are 1) the electricity grid is fully decarbonised by 2035, which aligns to the UK Government's deadline. 2) heat pumps will be the preferred heating technology for homes and will achieve cost parity for capital and running costs with gas boilers by 2030. 3) Government will introduce requirements for heat networks to decarbonise (currently expected to be introduced in the 2030s) and the decarbonisation of heat networks supplying Grainger schemes will be completed by 2040. Grainger plans to resource our transition plan through a dedicated budget which funds energy efficiency improvements undertaken to our properties and includes funding the replacement of fossil fuel heating systems.

Description of progress against transition plan disclosed in current or previous reporting period

We reported a 23% reduction in scope 1-3 emissions per m2 in FY24. This is reflective of energy efficiency activities that were implemented across our property portfolio. The energy efficiency of our PRS portfolio was also assessed through our criteria of % EPC ratings C or above which increased to 94% over the period. We continued to progress towards our commitment to eliminate fossil fuel heating with 69% of BTR properties now having low carbon heating. Grainger has continued to implement our transition aligned engagement with key stakeholder groups, including through implementing our Living a Greener Life customer engagement campaign into all stages of our customer journey and completing the first phase of carbon engagement with our key suppliers.

Attach any relevant documents which detail your climate transition plan (optional)

Grainger Net Zero Carbon Pathway 23 Final.pdf

Other environmental issues that your climate transition plan considers

Water

Explain how the other environmental issues are considered in your climate transition plan

Grainger's transition plan related engagement includes other environmental issues including waste and resource use and water.

Q5.3 Have environmental risks and opportunities affected your strategy and/or financial planning?

Response 1:

Environmental risks and/or opportunities have affected your strategy and/or financial planning

Yes, both strategy and financial planning

Business areas where environmental risks and/or opportunities have affected your strategy

- Upstream/downstream value chain
- Products and services
- Investment in R&D
- Operations

Q5.3.1 Describe where and how environmental risks and opportunities have affected your strategy.

Response 1: Products and services

Effect type

- Risks
- Opportunities

Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

- Water
- Climate change

Describe how environmental risks and/or opportunities have affected your strategy in this area

Transition and physical risks have influenced our product strategy. Our asset recycling and refurbishment strategies have been informed by the scenario analysis we have undertaken. Increasing energy and carbon related building regulations such as the Minimum Energy Efficiency Standards have influenced business decisions on which assets to retain and which to sell, and are influencing our long term refurbishment strategy to install mitigation measures such as replacing fossil fuel heating systems. Strategic decisions informed by physical and transition risks have included the sale of certain portfolios and assets, for example we have sold a portfolio of assets located on the coast with a higher potential flood risk and are selling properties with low energy efficiency ratings that are at risk from the potential future minimum energy efficiency regulations. We aim to have sold out of assets which don't align with future building regulations and with our preference for low sustainability risk by 2025. By 2030 we expect to have completed refurbishments on assets we wish to retain but which require some adaptation, to ensure the performance of our portfolio aligns with our net zero carbon commitment.

Response 2: Upstream/downstream value chain

Effect type

- Risks
- Opportunities

Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Climate change

Describe how environmental risks and/or opportunities have affected your strategy in this area

Increasing customer expectations regarding energy efficiency and climate change have focused their attention on the environmental credentials of the products and materials used in our buildings. We have increased the focus placed on this in our marketing strategy for our products and our customer engagement programmes. This has influenced our supply chain strategy to purchase products with stronger environmental credentials that mitigate climate change. Strategic decisions taken include updating our specification for new developments to require the installation of specific products that mitigate climate change impacts. These include energy efficient appliances that meet specific energy ratings, and flooring from a specific supplier that uses recycled content.

Response 3: Investment in R&D

Effect type

Risks

Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Climate change

Describe how environmental risks and/or opportunities have affected your strategy in this area

In response to the potential transition risk from current and future regulations on energy efficiency in buildings, we have undertaken R&D into different types of technologies to heat our buildings. Informed by the scenario analysis we have undertaken which identified electrification of homes as a more likely and predictable pathway than conversion of the gas grid to hydrogen, we have been piloting air source heat pumps. The outcomes of these pilots have been successful and are informing the technology used for future developments. We have now updated our specification to prefer heat pumps and during the year have updated the proposed heating system on a number of future developments to use heat pumps.

Response 4: Operations

Effect type

- Risks
- Opportunities

Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

- Water
- Climate change

Describe how environmental risks and/or opportunities have affected your strategy in this area

As energy costs increase and the business and our stakeholders have increasing expectations regarding energy efficiency, the business has invested in measuring energy efficiency. Strategic decisions include consolidating Grainger purchased electricity into one central renewable contract with quarterly measurement and reporting. This decision will reduce the carbon impact from our purchased electricity and has resulted in increased efficiency and cost savings. We are also exploring options to mitigate the environmental impact of energy and water purchased by our customers for use in our buildings. To facilitate this, we have introduced an engagement strategy to help our customers live greener in their Grainger properties and to measure the energy they consume in our buildings. Our customer emissions measurement strategy has improved our access to data and helped us to set Scope 3 emissions reduction targets.

Q5.3.2 Describe where and how environmental risks and opportunities have affected your financial planning.

Response 1: Row 1

Financial planning elements that have been affected

- Revenues
- Direct costs
- Assets
- Acquisitions and divestments
- Capital expenditures
- Access to capital

Effect type

- Risks
- Opportunities

Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

- Water
- Climate change

Describe how environmental risks and/or opportunities have affected these financial planning elements

Our reputation as a responsible business has supported our access to capital from responsible investors including sustainability linked loans, and has enabled us to secure new partnership opportunities for development, such as from public sector partners. One case study example is Transport for London which

considered sustainability in the decision-making to award the partnership for its build to rent development to Grainger. As these developments complete, we retain the properties to manage and rent, which results in growth in rental income (revenues). The increased access to capital is being realised now and increased revenues will follow as the developments reach completion and are stabilised - with the majority of assets expecting to be stabilised in three to five years time and deliver an additional rental income of £12.4 million. Acquisitions and divestments and assets have been influenced by the integration of environmental factors into investment decision making, as we sell properties that don't meet our criteria such as energy efficiency levels or flood risk, consider the characteristics of potential acquisitions (for example ensuring design changes to mitigate climate-related risks such as overheating are costed into the acquisition price) and undertake energy efficiency related refurbishments to our assets. These impacts are being experienced now and are expected to continue over the next ten years as we seek to ensure our portfolio aligns to our net zero transition plan. Capital expenditures are affected by refurbishments planned to improve the energy efficiency of assets and meet our net zero carbon commitment - these are being integrated into long-term planned refurbishment programmes for the next ten years. There have been small increases to direct costs such as insurance costs and energy costs for properties which are planned on an annual budgeting horizon.

Q5.4 In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

Response 1:

Identification of spending/revenue that is aligned with your organization's climate transition

Yes

Methodology or framework used to assess alignment with your organization's climate transition

Other methodology or framework

Q5.4.1 Quantify the amount and percentage share of your spending/revenue that is aligned with your organization's climate transition.

Response 1: Row 1

Methodology or framework used to assess alignment

Other: Climate Bonds Initiative

Financial metric

Revenue/Turnover

Amount of selected financial metric that is aligned in the reporting year (currency)

71088961

Percentage share of selected financial metric aligned in the reporting year (%)

57.7

Percentage share of selected financial metric planned to align in 2025 (%)

65.3

Percentage share of selected financial metric planned to align in 2030 (%)

77

Details of the methodology or framework used to assess alignment with your organization's climate transition

Grainger is waiting for the UK taxonomy to align our portfolio formally to a sustainable finance taxonomy. In the meantime, we use PRS properties rated EPC B or above as our metric of transition alignment as this aligns to the UK Government definition of energy efficiency for residential PRS properties in the UK and is one of our key metrics to measure progress towards our transition plan. It also aligns to the Climate Bonds Taxonomy criteria and the EU Taxonomy criteria for residential properties to be in the top 15% of market energy demand. Aligned activities included in this assessment are private rented sector properties. Regulated tenancy properties are the other type of property within Grainger's portfolio which are non-core properties we plan to sell rather than upgrade as part of our transition plan targets and associated actions. These properties are not considered aligned and not covered by this assessment. Alignment is verified by a third party that undertakes verification on our EPC data as this is the key KPI used for Grainger's sustainability linked loans. We expect the % of rental income aligned to this criteria to increase significantly over the coming years due to our business strategy to invest in new highly energy efficient rental homes and our refurbishment programme which is upgrading the energy efficiency of our existing PRS homes.

Q5.5 Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

Response 1:

Investment in low-carbon R&D

Yes

Comment

Grainger invests in R&D into low-carbon heating systems for residential property

Q5.5.6 Provide details of your organization's investments in low-carbon R&D for real estate and construction activities over the last three years.

Response 1: Row 1

Technology area

Air-to-air heat pump

Stage of development in the reporting year

Pilot demonstration

Average % of total R&D investment over the last 3 years

20

Average % of total R&D investment planned over the next 5 years

30

Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

Grainger has begun piloting air source heat pumps on some developments. These pilots will inform our decision-making on preferred energy systems in our development pipeline and will provide valuable research on the actual efficiency of the technology in use, and any differences in repairs and maintenance requirements compared to alternative systems such as direct electric heating. We are also currently planning a comprehensive pilot of different heat pump options combined with other technologies including MVHR in some of our existing PRS homes. This investment aligns to our net zero transition plan commitment to replace fossil fuel heating systems in our properties when they reach the end of their useful life.

Q5.9 What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Response 1:

Water-related CAPEX (+/- % change)

-9

Anticipated forward trend for CAPEX (+/- % change)

-99

Water-related OPEX (+/- % change)

25

Anticipated forward trend for OPEX (+/- % change)

40

Please explain

Grainger has minimal water-related CAPEX because CAPEX costs related to flood events are paid directly by Grainger's insurers and not by Grainger. Grainger is delivering two masterplan developments and installing water infrastructure as part of these developments. New infrastructure was installed at one site during the reporting year but there is not expected to be any additional infrastructure installed in the short-term and so a reduction in CAPEX is expected. Grainger's water-related OPEX is minimal and includes costs related to municipal water supplies and water monitoring. Water-related OPEX is expected to grow as we invest in new efficient rental homes and the size of our portfolio increases. This will also be influenced by anticipated increases in UK municipal water charges. Our forward trend is an estimate based on predicted growth in Grainger's portfolio and development delivery over the next year.

Q5.10 Does your organization use an internal price on environmental externalities?

Response 1:

Use of internal pricing of environmental externalities

No, but we plan to in the next two years

Primary reason for not pricing environmental externalities

No standardized procedure

Explain why your organization does not price environmental externalities

Grainger does not currently use an internal carbon price, however we refer to external carbon prices in our decision-making, including the £95 per tonne price set by the Greater London Authority for carbon offset funds which Grainger pays into on its developments in London. We have not developed a standardised procedure yet for incorporating an internal carbon price into our decision-making. Our approach is influenced by viability of development and the business' s growth strategy as applying a meaningful carbon price could make future development and business growth unviable.

Q5.11 Do you engage with your value chain on environmental issues?

Response 1: Suppliers

Engaging with this stakeholder on environmental issues

Yes

Environmental issues covered

Climate change

Response 2: Customers

Engaging with this stakeholder on environmental issues

Yes

Environmental issues covered

- Climate change
- Water
- Plastics

Response 3: Investors and shareholders

Engaging with this stakeholder on environmental issues

Yes

Environmental issues covered

Climate change

Response 4: Other value chain stakeholders

Engaging with this stakeholder on environmental issues

Yes

Environmental issues covered

- Climate change
- Water

Q5.11.1 Does your organization assess and classify suppliers according to their dependencies and/or impacts on the environment?

Response 1: Climate change

Assessment of supplier dependencies and/or impacts on the environment

Yes, we assess the dependencies and/or impacts of our suppliers

Criteria for assessing supplier dependencies and/or impacts on the environment

Contribution to supplier-related Scope 3 emissions

% Tier 1 suppliers assessed

100%

Define a threshold for classifying suppliers as having substantive dependencies and/or impacts on the environment

Grainger measures all supplier scope 3 emissions. Specific supplier risks and impacts are assessed through weighted average criteria set out in Grainger's Procurement Policy and higher risk suppliers are prioritised for specific engagement. Grainger defines substantive impact for supplier emissions based on the % of Scope 3. In the reporting year this included all Development major contractors and all Operational suppliers which contribute to 50% of Grainger's supply chain related emissions.

% Tier 1 suppliers meeting the threshold for substantive dependencies and/or impacts on the environment

51-75%

Number of Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

32

Q5.11.2 Does your organization prioritize which suppliers to engage with on environmental issues?

Response 1: Climate change

Supplier engagement prioritization on this environmental issue

Yes, we prioritize which suppliers to engage with on this environmental issue

Criteria informing which suppliers are prioritized for engagement on this environmental issue

In line with the criteria used to classify suppliers as having substantive dependencies and/or impacts relating to climate change

Please explain

Specific supplier related risks and impacts are assessed through weighted average criteria set out in Grainger's Procurement Policy and higher risk suppliers are prioritised for specific assessment and engagement which ensures all risks are managed accordingly. Grainger engages with the suppliers identified as having a substantive climate change impact based on the % of Scope 3 emissions that suppliers generate. Suppliers prioritised for engagement include all Development major contractors and all Operational suppliers which contribute to 50% of Grainger's supply chain related emissions.

Q5.11.5 Do your suppliers have to meet environmental requirements as part of your organization's purchasing process?

Response 1: Climate change

Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Yes, environmental requirements related to this environmental issue are included in our supplier contracts

Policy in place for addressing supplier non-compliance

No, we do not have a policy in place for addressing non-compliance

Comment

Grainger has asked our top 20 suppliers to provide GHG emissions data so that we can work collaboratively to identify emissions reduction opportunities. Where suppliers are not currently measuring emissions, we intend to work with them to support them in measuring this information. In the future we may consider introducing a policy to address supplier non-compliance, but we believe working together with our long-term suppliers will deliver a more positive outcome for both Grainger and our suppliers. In addition we include requirements to measure embodied carbon in contractors requirements for all developments.

Q5.11.6 Provide details of the environmental requirements that suppliers have to meet as part of your organization's purchasing process, and the compliance measures in place.

Response 1: Climate change

Environmental requirement

Disclosure of GHG emissions to your organization (Scope 1, 2 and 3)

Mechanisms for monitoring compliance with this environmental requirement

No mechanism for monitoring compliance

% tier 1 suppliers by procurement spend required to comply with this environmental requirement

26-50%

% tier 1 suppliers by procurement spend in compliance with this environmental requirement

26-50%

% tier 1 supplier-related scope 3 emissions attributable to the suppliers required to comply with this environmental requirement

51-75%

% tier 1 supplier-related scope 3 emissions attributable to the suppliers in compliance with this environmental requirement

51-75%

Response to supplier non-compliance with this environmental requirement

Retain and engage

% of non-compliant suppliers engaged

100%

Procedures to engage non-compliant suppliers

Other: Collaborative meetings with suppliers to jointly share learnings and agree an appropriate approach to measuring carbon in the future

Comment

Grainger has asked our top 20 suppliers to provide GHG emissions data so that we can work collaboratively to identify emissions reduction opportunities. Where suppliers are not currently measuring emissions, we intend to work with them to support them in measuring this information. In the future we may consider different responses to supplier non-compliance, but we believe working together with our long-term suppliers will deliver a more positive outcome for both Grainger and our suppliers. This engagement activity has only recently commenced and is targeted at key suppliers in high risk categories so coverage is currently limited but is expected to increase steadily over time.

Response 2: Climate change

Environmental requirement

Monitoring and reduction of Product Carbon Footprint (PCF)/ product life-cycle emissions

Mechanisms for monitoring compliance with this environmental requirement

Second-party verification

% tier 1 suppliers by procurement spend required to comply with this environmental requirement

1-25%

% tier 1 suppliers by procurement spend in compliance with this environmental requirement

1-25%

% tier 1 supplier-related scope 3 emissions attributable to the suppliers required to comply with this environmental requirement

1-25%

% tier 1 supplier-related scope 3 emissions attributable to the suppliers in compliance with this environmental requirement

1-25%

Response to supplier non-compliance with this environmental requirement

Retain and engage

% of non-compliant suppliers engaged

100%

Procedures to engage non-compliant suppliers

Other: Supporting suppliers to complete a desktop assessment of whole life carbon

Comment

Grainger requires all direct development partners and contractors to measure whole life carbon for our development projects and support Grainger in identifying opportunities to reduce embodied carbon to support achievement of our embodied carbon reduction target. We have recently expanded this requirement to also cover forward funded projects. Where partners are not currently measuring emissions, our embodied carbon partner is working with them to help source the information required to undertake a desktop assessment. This currently represents a limited proportion of our development related emissions as many of the projects are currently in the design stage, and this will increase significantly once these schemes are under construction.

Q5.11.7 Provide further details of your organization's supplier engagement on environmental issues.

Response 1: Climate change

Action driven by supplier engagement

Emissions reduction

Type and details of engagement

Information collection: Collect GHG emissions data at least annually from suppliers

Upstream value chain coverage

Tier 1 suppliers

% of tier 1 suppliers by procurement spend covered by engagement

1-25%

% of tier 1 supplier-related scope 3 emissions covered by engagement

1-25%

Describe the engagement and explain the effect of your engagement on the selected environmental action

Grainger is engaging with our suppliers to measure carbon as part of our net zero carbon commitment. We are working collaboratively with our suppliers including those who have not previously been measuring emissions to help them to measure emissions and to identify emissions reduction opportunities. We have prioritised engaging with suppliers that will have a substantive impact on our current and future emissions. Positive outcomes include working with our furniture suppliers to obtain product-level emissions data which gives us much more accurate data on the climate impacts of the products we are installing in our buildings and helps us incorporate more detailed environmental criteria in our procurement decision-making. We are also able to share this information with our customers as part of our customer engagement programme. Our criteria for measuring success are the proportion of suppliers for which we are able to measure more accurate emissions which enables us to track progress in improving the accuracy of our emissions reporting and the emissions generated by suppliers which enables us to track progress towards our net zero objectives. The proportion of spend and emissions covered by this engagement will increase significantly in the future when we have spend and emissions associated with the construction of development projects that are currently in the design stage. We are already engaging with contractors and development partners to measure emissions for these projects but the current spend and emissions are relatively small.

Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Other: Disclosure of GHG emissions

Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Yes

Response 2: Water

Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Other: Grainger is engaging with development suppliers to reduce embodied carbon from development projects. As part of this the embodied water contained in the products is also reviewed through Environmental Product Declarations.

Response 3: Climate change

Action driven by supplier engagement

Waste and resource reduction and improved end-of-life management

Type and details of engagement

Innovation and collaboration: Collaborate with suppliers on innovations to reduce environmental impacts in products and services

Upstream value chain coverage

Tier 1 suppliers

% of tier 1 suppliers by procurement spend covered by engagement

1-25%

% of tier 1 supplier-related scope 3 emissions covered by engagement

1-25%

Describe the engagement and explain the effect of your engagement on the selected environmental action

Grainger collaborates with our development partners to identify opportunities to reduce embodied carbon from development projects including through the design of the scheme and the materials and construction process used.

Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Other: Reducing GHG emissions

Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Yes

Q5.11.9 Provide details of any environmental engagement activity with other stakeholders in the value chain.

Response 1: Climate change

Type of stakeholder

Customers

Type and details of engagement

Education/Information sharing: Run an engagement campaign to educate stakeholders about the environmental impacts about your products, goods and/or services

% of stakeholder type engaged

76-99%

% stakeholder-associated scope 3 emissions

51-75%

Rationale for engaging these stakeholders and scope of engagement

Grainger's award-winning Living a Greener Life customer engagement campaign focuses on five aspects of greener living including energy saving. It is tailored to our Private Rented Sector customers to help them use less energy in their homes. The engagement programme includes events, campaigns and guidance on energy saving. We selected private rented sector customers as they represent a significant proportion of our customer base. They are a younger demographic than our regulated customers, and tend to be more motivated to reduce their climate change impacts, they also tend to move flats more frequently and may be less familiar with how to operate the appliances in their new home.

Effect of engagement and measures of success

We measure success through qualitative measurement of customer satisfaction and quantitative measurement of customer energy use and associated GHG emissions. Qualitative feedback measured through customer satisfaction surveys suggests that energy efficiency and running costs of their properties is a contributing factor to our customers overall satisfaction with their home. We measure our Net Promoter Score as part of our customer satisfaction survey, however this metric covers general satisfaction and is not specific to climate change. We undertake comprehensive analysis of customer energy consumption data to quantify trends in energy consumption in our buildings. We also track direct customer feedback on energy consumption and costs and are also tracking participation in our 'Living a Greener Life' themed events. We have seen a consistent increase in engagement from our customers on this topic and reduced energy consumption and emissions.

Response 2: Water

Type of stakeholder

Customers

Type and details of engagement

Education/Information sharing: Run an engagement campaign to educate stakeholders about the environmental impacts about your products, goods and/or services

% of stakeholder type engaged

76-99%

Rationale for engaging these stakeholders and scope of engagement

Grainger's award-winning Living a Greener Life customer engagement campaign focuses on five aspects of greener living including water saving. It is tailored to our Private Rented Sector customers to help them use less water in their homes. The engagement programme includes events, campaigns and guidance on water saving. We selected private rented sector customers as they represent a significant proportion of our customer base. They are a younger demographic than our regulated customers, and tend to be more motivated to reduce their environmental impacts, they also tend to move flats more frequently and may be less familiar with how to operate the appliances in their new home.

Effect of engagement and measures of success

We measure success through qualitative measurement of customer satisfaction and tracking direct customer feedback. Access to customer water consumption data is not currently available due to metering set up and data privacy regulation so we are unable to measure impacts quantitatively. Feedback from our customers suggests that water is not as material an issue for them as energy efficiency or waste and recycling therefore we have not made further investment in measuring success from this engagement.

Response 3: Climate change

Type of stakeholder

Investors and shareholders

Type and details of engagement

Education/Information sharing: Share information on environmental initiatives, progress and achievements

% of stakeholder type engaged

100%

% stakeholder-associated scope 3 emissions

None

Rationale for engaging these stakeholders and scope of engagement

Grainger engages with our investors on climate change through providing regular disclosures covering climate change related progress and performance and discussing climate change related topics in meetings with our investors. All Grainger's investor presentations include an update on our performance in relation to climate change and so we engage with all investors. However we undertake more detailed engagement with investors that have a specific focus on climate change, which would include holding meetings to discuss specific climate related topics or completing detailed information requests from investors on climate change related topics. There are no Scope 3 emissions applicable to this stakeholder.

Effect of engagement and measures of success

Grainger's engagement with investors ensures we retain a resilient investor base and that Grainger attracts and retains investment from investors with a strong focus on ESG criteria. This is measured quantitatively through regular analysis of Grainger's shareholder register. Grainger also measures success qualitatively through feedback gathered from investors and through assessing our performance ratings on investor ESG assessments and benchmarks where we consistently perform well and achieve sector leading ratings in the top performance quartile for our peer group. In the reporting year we continued to improve ratings performance on ESG benchmarks and received positive feedback from our investors on our progress in

measuring Scope 3 emissions.

Response 4: Climate change

Type of stakeholder

Other value chain stakeholder: Development partners

Type and details of engagement

Innovation and collaboration: Collaborate with stakeholders on innovations to reduce environmental impacts in products and services

% of stakeholder type engaged

76-99%

% stakeholder-associated scope 3 emissions

76-99%

Rationale for engaging these stakeholders and scope of engagement

Grainger engages with our development partners to minimise the carbon impacts of our development projects and ensure the climate-related objectives of both organisations are satisfied. During the development lifecycle, we engage on an ongoing basis to ensure we design and deliver energy efficient properties. All partners are required to comply with our design brief and specification which sets out environmental requirements for building design and construction. We have chosen to engage with development partners because the design of our buildings has a significant impact on how efficient they are in practice. In addition, development is energy-intensive, and we want to ensure we are minimising emissions from our development activities. We prioritise engagement with partners on our direct development projects rather than forward-funded development projects as we have more control and influence over the design and development process. During the design stage we work collaboratively with development partners to ensure the design meets our sustainability requirements, and will be efficient for Grainger to operate. During construction, we conduct fortnightly meetings with contractors on our development sites to discuss environmental impacts including GHG emissions. We assess compliance against our design brief through site inspections and effective project management, and measure embodied carbon through whole life carbon assessments undertaken on all direct development projects.

Effect of engagement and measures of success

Examples of positive outcomes resulting from engagement with our development partners include our collaboration with our development partner Places for London on the development of a Sustainable Development Framework that will be applied on all our joint projects. The framework has been incorporated into the design of the proposed developments, which have been designed to use low-carbon heating, meet high levels of energy efficiency and to be car free developments, minimising emissions from transport. We have also established a baseline for embodied carbon for our development projects which enables us to measure progress towards our embodied carbon reduction target. The ultimate measure of success will be the emissions generated by the developments measured at project completion.

Q6.1 Provide details on your chosen consolidation approach for the calculation of environmental performance data.

Response 1: Climate change

Consolidation approach used

Operational control

Provide the rationale for the choice of consolidation approach

Operational control used to align to financial reporting

Response 2: Water

Consolidation approach used

Operational control

Provide the rationale for the choice of consolidation approach

Operational control used to align to financial reporting

Response 3: Plastics

Consolidation approach used

Operational control

Provide the rationale for the choice of consolidation approach

Operational control used to align to financial reporting

Response 4: Biodiversity

Consolidation approach used

Operational control

Provide the rationale for the choice of consolidation approach

Operational control used to align to financial reporting

Q7.1 Is this your first year of reporting emissions data to CDP?

No

Q7.1.1 Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

No

Q7.1.2 Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

Response 1:

Change(s) in methodology, boundary, and/or reporting year definition?

Yes, a change in methodology

Details of methodology, boundary, and/or reporting year definition change(s)

In order to calculate Category 1,2 and 4 emissions, a spend based method is adopted, whereby spend based factors from the Comprehensive Environmental Data Archive (CEDA) are matched to relevant purchases. During updates to the prior year footprint, our methodology was updated to use Purchaser Price emission factors, replacing the previously used Producer Price factors. Purchaser price factors include spend associated with tax and trade margins and so are a better reflection of Grainger' s spend on goods and services and associated emissions. This methodology update was reflected in prior year' s footprints, including our base year.

Q7.1.3 Have your organization's base year emissions and past years' emissions been recalculated as a result of any changes or errors reported in 7.1.1 and/or 7.1.2?

Response 1:

Base year recalculation

Yes

Scope(s) recalculated

Scope 3

Base year emissions recalculation policy, including significance threshold

As part of ongoing efforts to ensure consistency and comparability of Grainger' s emissions reporting over time, we track changes to our operational boundary and methodology, then ensure these changes are applied to our base year footprint. The significance threshold to trigger restatement of Grainger' s base year emissions is 5%, in alignment with the requirements of the Science Based Targets Initiative (SBTi). However, whenever changes are identified, Grainger will aim to restate emissions regardless of materiality.

Past years' recalculation

Yes

Q7.2 Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

- The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
- The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard

Q7.3 Describe your organization's approach to reporting Scope 2 emissions.

Response 1:

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

Q7.4 Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?

Q7.5 Provide your base year and base year emissions.

Base year end

Base year emissions (metric tons CO2e)

Methodological details

Response 2: Scope 2 (location-based)

Base year end

Base year emissions (metric tons CO2e)

Methodological details

Response 3: Scope 2 (market-based)

Base year end

Base year emissions (metric tons CO2e)

181

Methodological details

Our Scope 2 emissions include emissions from electricity and district heating used within our Office space and residential common areas under our operational control. Consumption across operational sites is monitored throughout the year. For market-based emissions, Grainger applies supplier-specific emission factors (renewable or non-renewable) where information is available and where unavailable, the residual emission factor for the United Kingdom published by the Association of Issuing Bodies (AIB).

Response 4: Scope 3 category 1: Purchased goods and services

Base year end

2023-09-29

Base year emissions (metric tons CO₂e)

7073

Methodological details

Grainger purchases goods and services each year that contribute towards its operations and therefore report on the emissions associated with these products. Currently a spend based method is used, whereby spend based emission factors from the Comprehensive Environmental Data Archive (CEDA) are matched to the relevant purchases to calculate Grainger's emissions.

Response 5: Scope 3 category 2: Capital goods

Base year end

2023-09-29

Base year emissions (metric tons CO₂e)

50562

Methodological details

All developments for new properties are carried out by contractors and are considered CAPEX with emissions associated with materials and construction. Currently a spend based method is used, whereby spend based emission factors from the Comprehensive Environmental Data Archive (CEDA) are matched to the relevant contracted development services to calculate Grainger's emissions.

Response 6: Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year end

2023-09-29

Base year emissions (metric tons CO₂e)

689

Methodological details

Fuel and energy consumption - which resulted in the Scope 1 and 2 emissions disclosed elsewhere - were used in the calculation of emissions within this category. Emissions were calculated using relevant UK Government

Conversion Factors. The calculation factored WTT (Well-To-Tank) emissions in addition to T&D (Transport and Distribution) emissions.

Response 7: Scope 3 category 4: Upstream transportation and distribution

Base year end

2023-09-29

Base year emissions (metric tons CO₂e)

3.5

Methodological details

Grainger used courier services in the year with associated emissions that can be considered upstream transportation and distribution. Currently a spend based method is used, whereby spend based emission factors from the Comprehensive Environmental Data Archive (CEDA) are matched to the purchase of these courier services.

Response 8: Scope 3 category 5: Waste generated in operations

Base year end

2023-09-29

Base year emissions (metric tons CO₂e)

12.8

Methodological details

Waste data is collected in office spaces in addition to certain properties for which waste is collected from common areas and Grainger has specifically paid for waste collection. Remaining waste within dwellings is out of the scope of responsibility for Grainger. Waste data is collected by type and disposal method using data from the waste contractor. Emissions are then calculated using the UK Government Conversion Factors for waste.

Response 9: Scope 3 category 6: Business travel

Base year end

2023-09-29

Base year emissions (metric tons CO₂e)

177

Methodological details

Business Travel - Extracts from Grainger's travel booking system and employee mileage claims were used to calculate total distance by each travel type. This includes air, rail, taxi and grey fleet travel over the reporting period. Travel distance was matched with the relevant UK Government Conversion Factor for each type of business travel to calculate the associated emissions of these activities.

Hotel Stays - Emissions from employee hotel stay are not included in reporting to align with SBTi requirements. However, these were still calculated (15 tCO₂e) and reported separately. To calculate emissions, expense claims were extracted from Grainger's travel booking system, which included number of

nights stayed and the country of stay. Based on this information, a country-specific hotel emission factor was taken from the UK Government Conversion Factor database to calculate associated emissions.

Response 10: Scope 3 category 7: Employee commuting

Base year end

2023-09-29

Base year emissions (metric tons CO2e)

460

Methodological details

Emissions in this category include both commuting and working from home emissions:
Commuting - Grainger conducts a yearly annual survey to determine commuting trends across the business. This survey is used to estimate average commuting distance and breakdown of commuting routes used by employees (car, train, bus etc). These survey results are then applied across the entire company to estimate total travel distance per travel type. The UK Government Conversion factor database is then used to select an appropriate emission factor for each travel type in order to calculate subsequent emissions.
Working from Home - Emissions from employees working from home are not included in reporting to align with SBTi requirements. However, these were calculated (72 tCO2e) and reported separately. Emissions are calculated in line with the methodology set out in a Whitepaper published by EcoAct on homeworking emissions. Employee headcount data and a breakdown of days working from home are used as inputs to estimate total energy consumption and associated emissions from working at home.

Response 11: Scope 3 category 8: Upstream leased assets

Base year end

2023-09-29

Base year emissions (metric tons CO2e)

89.88

Methodological details

Emissions in this category result from fuels/electricity supplied to office spaces, for which the energy is landlord-obtained and is sub-metered. For both fuels and location-based electricity emissions are calculated using emission factors from the UK Government Conversion factor database. For Market-based Scope 2, emissions are calculated using the known supplier emission factor for the tariff used at the office.

Response 12: Scope 3 category 9: Downstream transportation and distribution

Base year end

2023-09-29

Base year emissions (metric tons CO2e)

0

Methodological details

Grainger's sole product is dwellings which do not require downstream transportation or distribution for delivery. Emissions in this category are therefore not relevant.

Response 13: Scope 3 category 10: Processing of sold products

Base year end

2023-09-29

Base year emissions (metric tons CO2e)

0

Methodological details

Grainger's sole product is dwellings which are not considered intermediate products. Any renovations or maintenance undertaken to properties would be considered under purchased goods and services or capital goods and therefore emissions in this category are not relevant.

Response 14: Scope 3 category 11: Use of sold products

Base year end

2023-09-29

Base year emissions (metric tons CO2e)

261.7

Methodological details

Under UKGBC Scope 3 guidance sold properties should be considered in Category 11 if they were newly developed for the purpose of a sale. In most cases this does not apply to Grainger, as its primary business is in residential property management, not property development and sales. However, in the reporting period Grainger sold some of its newly developed properties, therefore the emissions for the useful life of these properties were calculated and reported on.

Energy consumption for these properties was estimated and extrapolated over their useful life to calculate total energy consumption, which was then matched to the relevant UK Government Conversion Factors.

Response 15: Scope 3 category 12: End of life treatment of sold products

Base year end

2023-09-29

Base year emissions (metric tons CO2e)

88.3

Methodological details

Under UKGBC Scope 3 guidance sold properties should be considered in Category 12 if they were newly developed for the purpose of a sale. In most cases this does not apply to Grainger, as its primary business is in residential property management, not property development and sales. However, in the reporting period Grainger sold some of its newly developed properties, therefore the emissions for the end of life treatment of these properties were calculated and reported on.

There was no actual LCA data for the properties sold in the year, however Grainger has performed LCAs including the end of life treatment on a number of very similar properties. Therefore, the emissions related to the end of life treatment in the LCAs of these properties were used as a proxy for the properties sold in the year.

Response 16: Scope 3 category 13: Downstream leased assets

Base year end

2023-09-29

Base year emissions (metric tons CO2e)

22231.34

Methodological details

Data privacy laws prevent Grainger from obtaining actual energy consumption data from tenants in its properties on a consistent basis. We therefore estimate emissions from tenant-obtained energy consumption using multiple levels of data accuracy:

- 1 - Actual - actual energy consumption of the unit.
- 2 - Estimate - no actual data available, but there was actual data on other units in the same estate which was extrapolated as an estimate.
- 3 - Proxy - This is where there was not enough actual data for an estate to estimate consumption, but Grainger identified a 'proxy' estate where actual data was available and this was matched to the unit as a proxy.
- 4 - EPC - No raw data was available, but EPC data was used.
- 5 - Industry averages - no other data was available, so industry standard benchmarks were used.

Once energy consumption had been determined for a property it was matched to the relevant UK Government Conversion Factors.

Response 17: Scope 3 category 14: Franchises

Base year end

2023-09-29

Base year emissions (metric tons CO2e)

0

Methodological details

Grainger has no franchises. Emissions in this category are therefore not relevant.

Response 18: Scope 3 category 15: Investments

Base year end

2023-09-29

Base year emissions (metric tons CO2e)

771.5

Methodological details

Grainger owns a portfolio of mortgages, therefore the emissions associated with Grainger's ownership were calculated. Energy consumption in the year for these properties were estimated using a mixture of benchmarks and EPC data where available. These were then matched to the relevant PCAF or UK Government Conversion Factors.

Response 19: Scope 3: Other (upstream)

Base year end

2023-09-29

Base year emissions (metric tons CO2e)

0

Methodological details

There are no relevant other upstream emissions

Response 20: Scope 3: Other (downstream)

Base year end

2023-09-29

Base year emissions (metric tons CO2e)

0

Methodological details

There are no relevant other downstream emissions

Q7.6 What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Response 1: Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

433.9

Methodological details

Our Scope 1 emissions include emissions from fuels consumed within our Office space and residential common areas under our operational control. Consumption across operational sites is monitored throughout the year. Emissions are then calculated by multiplying consumption by the relevant emission factor from the UK Government Conversion factor database for 2024. During the reporting period Grainger procured a portion of our natural gas through a green gas contract - biogenic emissions from this consumption have been reported separately. \t\t\t\t\t

Response 2: Past year 1

Gross global Scope 1 emissions (metric tons CO2e)

754

End date

2023-09-29

Methodological details

Our Scope 1 emissions include emissions from fuels consumed within our Office space and residential common areas under our operational control. Consumption across operational sites is monitored throughout the year. Emissions are then calculated by multiplying consumption by the relevant emission factor from the UK Government Conversion factor database for 2023. During the reporting period Grainger procured a portion of our natural gas through a green gas contract - biogenic emissions from this consumption have been reported separately.

Q7.7 What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Response 1: Reporting year

Gross global Scope 2, location-based emissions (metric tons CO2e)

1323.51

Gross global Scope 2, market-based emissions (metric tons CO2e)

111.46

Methodological details

Our Scope 2 emissions include emissions from electricity and district heating used within our Office space and residential common areas under our operational control. Consumption across operational sites is monitored throughout the year. For location-based Scope 2, emissions are calculated by multiplying consumption by the electricity emission factor from the UK Government Conversion factor database for 2024. For market-based emissions, Grainger applies supplier-specific emission factors (renewable or non-renewable) where information is available and where unavailable, the residual emission factor for the United Kingdom published by the Association of Issuing Bodies (AIB).

Response 2: Past year 1

Gross global Scope 2, location-based emissions (metric tons CO2e)

1157

Gross global Scope 2, market-based emissions (metric tons CO2e)

181

End date

2023-09-29

Methodological details

Our Scope 2 emissions include emissions from electricity and district heating used within our office spaces and residential common areas under our operational control. Consumption across operational sites is monitored throughout the year. For location-based Scope 2, emissions are calculated by multiplying consumption by the electricity emission factor from the UK Government Conversion factor database for 2023. For market-based emissions, Grainger applies supplier-specific emission factors (renewable or non-renewable) where information is available and where unavailable, the residual emission factor for the United Kingdom published by the Association of Issuing Bodies (AIB).

Emissions in reporting year (metric tons CO2e)

669.8

Emissions calculation methodology

Fuel-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Fuel and energy consumption - which resulted in the Scope 1 and 2 emissions disclosed elsewhere - were used in the calculation of emissions within this category. Emissions were calculated using relevant UK Government Conversion Factors. The calculation factored WTT (Well-To-Tank) emissions in addition to T&D (Transport and Distribution) emissions.

Response 4: Upstream transportation and distribution

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

2.65

Emissions calculation methodology

Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Grainger used courier services in the year with associated emissions that can be considered upstream transportation and distribution. Currently a spend based method is used, whereby spend based emission factors from the Comprehensive Environmental Data Archive (CEDA) are matched to the purchase of these courier services.

Response 5: Waste generated in operations

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

9.49

Emissions calculation methodology

Waste-type-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Waste data is collected in office spaces in addition to certain properties for which waste is collected from common areas and Grainger has specifically paid for waste collection. Remaining waste within dwellings is out of the scope of responsibility for Grainger. Waste data is collected by type and disposal method using data from the waste contractor. Emissions are then calculated using the UK Government Conversion Factors for waste.

Response 6: Business travel

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

157.65

Emissions calculation methodology

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Business Travel - Extracts from Grainger's travel booking system and employee mileage claims were used to calculate total distance by each travel type. This includes air, rail, taxi and grey fleet travel over the reporting period. Travel distance was matched with the relevant UK Government Conversion Factor for each type of business travel to calculate the associated emissions of these activities.

Hotel Stays - Emissions from employee hotel stays are not included in reporting to align with SBTi requirements. However, these were calculated (14 tCO₂e) and reported separately. Employee hotel stay expense claims were extracted from Grainger's travel booking system, which included number of nights stayed and the country of stay. Based on this information, a country-specific hotel emission factor was taken from the UK Government Conversion Factor database to calculate associated emissions.

Response 7: Employee commuting

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

458

Emissions calculation methodology

Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Emissions in this category include both commuting and working from home emissions:
Commuting - Grainger conducts a yearly annual survey to determine commuting trends across the business. This survey is used to estimate average commuting distance and breakdown of commuting routes used by employees (car, train, bus etc). These survey results are then applied across the entire company to estimate total travel distance per travel type. The UK Government Conversion factor database is then used to select an appropriate emission factor for each travel type in order to calculate subsequent emissions.
Working from Home - - Emissions from employees working from home are not included in reporting to align with SBTi requirements. However, these were calculated (83 tCO₂e) and reported separately. Emissions are calculated in line with the methodology set out in a Whitepaper published by EcoAct on homeworking emissions. Employee headcount data and a breakdown of days working from home is used as inputs to estimate total energy consumption and associated emissions from working at home.

Response 8: Upstream leased assets

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

89.29

Emissions calculation methodology

Site-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Emissions in this category result from fuels/electricity supplied to office spaces, for which the energy is landlord-obtained and is sub-metered. For both fuels and location-based electricity emissions are calculated using emission factors from the UK Government Conversion factor database. For Market-based Scope 2, emissions are calculated using the known supplier emission factor for the tariff used at the office.

Response 9: Use of sold products

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

307.41

Emissions calculation methodology

Average product method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Under UKGBC Scope 3 guidance sold properties should be considered in Category 11 if they were newly developed for the purpose of a sale. In most cases this does not apply to Grainger, as its primary business is in residential property management, not property development and sales. However, in the reporting period Grainger sold some of its newly developed properties, therefore the emissions for the useful life of these properties were calculated and reported on.

Energy consumption for these properties was estimated and extrapolated over their useful life to calculate total energy consumption, which was then matched to the relevant UK Government Conversion Factors.

Response 10: End of life treatment of sold products

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

77.1

Emissions calculation methodology

Average product method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Under UKGBC Scope 3 guidance sold properties should be considered in Category 12 if they were newly developed for the purpose of a sale. In most cases this does not apply to Grainger, as its primary business is in residential property management, not property development and sales. However, in the reporting period Grainger sold some of its newly developed properties, therefore the emissions for the end of life treatment of these properties were calculated and reported on.

There was no actual LCA data for the properties sold in the year, however Grainger has performed LCAs including the end of life treatment on a number of very similar properties. Therefore, the emissions related the end of life treatment in the LCAs of these properties were used as a proxy for the properties sold in the year.

Response 11: Downstream leased assets

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

21312

Emissions calculation methodology

Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

8

Please explain

Data privacy laws prevent Grainger from obtaining actual energy consumption data from tenants in its properties on a consistent basis. We therefore estimate emissions from tenant-obtained energy consumption using multiple levels of data accuracy:

- 1 - Actual - actual energy consumption of the unit.
- 2 - Estimate - no actual data available, but there was actual data on other units in the same estate which was extrapolated as an estimate.
- 3 - Proxy - This is where there was not enough actual data for an estate to estimate consumption, but Grainger identified a ' proxy' estate where actual data was available and this was matched to the unit as a proxy.
- 4 - EPC - No raw data was available, but EPC data was used.
- 5 - Industry averages - no other data was available, so industry standard benchmarks were used.

Once energy consumption had been determined for a property it was matched to the relevant UK Government Conversion Factors.

Response 12: Franchises

Evaluation status

Not relevant, explanation provided

Response 13: Investments

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

775.5

Emissions calculation methodology

Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Grainger owns a portfolio of mortgages, therefore the emissions associated with Grainger' s ownership were calculated. Energy consumption in the year for these properties were estimated using a mixture of benchmarks and EPC data where available. These were then matched to the relevant PCAF or UK Government Conversion Factors.

Q7.9 Indicate the verification/assurance status that applies to your reported emissions.

Verification/assurance status	
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

Q7.9.1 Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Response 1: Row 1

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Grainger plc GHG Emissions FY24_ Limited Verification Statement V1.0 ISSUED 241122.pdf

Page/section reference

page 1-2

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Q7.9.2 Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Response 1: Row 1

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Grainger plc GHG Emissions FY24_ Limited Verification Statement V1.0 ISSUED 241122.pdf

Page/ section reference

Page 1-2

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Response 2: Row 2

Scope 2 approach

Scope 2 market-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Grainger plc GHG Emissions FY24_ Limited Verification Statement V1.0 ISSUED 241122.pdf

Page/ section reference

Page 1-2

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Q7.9.3 Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Response 1: Row 1

Scope 3 category

Scope 3: Purchased goods and services

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Grainger plc GHG Emissions FY24_ Limited Verification Statement V1.0 ISSUED 241122.pdf

Page/section reference

Page 1-2

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Response 2: Row 2

Scope 3 category

Scope 3: Capital goods

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Grainger plc GHG Emissions FY24_ Limited Verification Statement V1.0 ISSUED 241122.pdf

Page/section reference

Page 1-2

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Response 3: Row 3

Scope 3 category

Scope 3: Business travel

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Grainger plc GHG Emissions FY24_ Limited Verification Statement V1.0 ISSUED 241122.pdf

Page/section reference

Page 1-2

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Response 4: Row 4

Scope 3 category

Scope 3: Downstream transportation and distribution

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Grainger plc GHG Emissions FY24_ Limited Verification Statement V1.0 ISSUED 241122.pdf

Page/section reference

Page 1-2

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Q7.10 How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

Q7.10.1 Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

Response 1: Change in renewable energy consumption

Change in emissions (metric tons CO₂e)

221.8

Direction of change in emissions

Decreased

Emissions value (percentage)

11.6

Please explain calculation

During FY24 Grainger continued to switch to a green gas tariff at a number of locations. Scope 1 emissions associated with this green gas are far lower than the natural gas equivalent, with biogenic emissions being reported separately. Comparing emissions from an equivalent volume of natural gas, the reductions from switching to green gas were 223tCO₂e. This compares to the previously reported FY22 figure of 2,073tCO₂e, so a decrease of $(223/2073) = 11.6\%$

Response 2: Other emissions reduction activities

Change in emissions (metric tons CO₂e)

5.8

Direction of change in emissions

Decreased

Emissions value (percentage)

0.1

Please explain calculation

Emissions reduction activities implemented during the reporting year largely affected our Scope 3 emissions as they related to tenant areas of our properties rather than landlord areas where we have control and buy the energy. However a number of refurbishments have been undertaken to the common parts of properties resulting in 1.6 tonne decrease in Scope 1/2 emissions. This is compared to the previously reported FY22 figure of 2,073, so an decrease of $(1.6/2073)=0.1\%$

Response 3: Divestment

Change in emissions (metric tons CO2e)

60.9

Direction of change in emissions

Decreased

Emissions value (percentage)

3.2

Please explain calculation

A number of properties were sold during the reporting period, which were less energy efficient. By comparing the Scope 1/2 emissions from these properties, generated in the previous reporting period, with the emissions from current reporting period, prior to divestment, there is an observed reduction of 60.9 tCO2e. This is compared to the previously reported FY23 figure of 1,911, so a decrease of $(60.9/1,911) = a 3.19\%$ reduction.

Response 4: Acquisitions

Change in emissions (metric tons CO2e)

196.4

Direction of change in emissions

Increased

Emissions value (percentage)

10.3

Please explain calculation

A number of new properties were acquired during the reporting period, generating Scope 1/2 emissions that wouldn't have been present in the previous reporting period. The combined emissions associated with these properties was 196.4 tCO2e. This compares to the previously reported FY23 Scope 1/2 figure of 1,911 tCO2e . Therefore : $(196.4/1,911) = a 10.28\%$ increase.

Q7.17.1 Break down your total gross global Scope 1 emissions by business division.

Response 1: Row 1

Business division

Corporate

Scope 1 emissions (metric ton CO₂e)

31.7

Response 2: Row 2

Business division

Grainger Residential

Scope 1 emissions (metric ton CO₂e)

402.2

Q7.17.3 Break down your total gross global Scope 1 emissions by business activity.

Response 1: Row 1

Activity

Grainger fleet transport

Scope 1 emissions (metric tons CO₂e)

31.6

Response 2: Row 2

Activity

Property portfolio management

Scope 1 emissions (metric tons CO₂e)

402.2

Response 3: Row 3

Activity

Office occupation

Scope 1 emissions (metric tons CO₂e)

0.04

Q7.20 Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

- By activity
- By business division

Q7.20.1 Break down your total gross global Scope 2 emissions by business division.

Response 1: Row 1

Business division

Grainger Residential

Scope 2, location-based (metric tons CO2e)

1251.3

Scope 2, market-based (metric tons CO2e)

88.9

Response 2: Row 2

Business division

Corporate

Scope 2, location-based (metric tons CO2e)

72.2

Scope 2, market-based (metric tons CO2e)

22.6

Q7.20.3 Break down your total gross global Scope 2 emissions by business activity.

Response 1: Row 1

Activity

Grainger EV fleet

Scope 2, location-based (metric tons CO2e)

0.596

Scope 2, market-based (metric tons CO2e)

0.596

Response 2: Row 2

Activity

Property portfolio management

1251.3

88.9

71.6

22

433.5

1271.8

111.5

All Grainger's entities fall under our consolidated accounting group with the exception of one property. The Scope 1-2 figures presented here are equal to those presented in 7.6 and 7.7 minus the emissions from this one property.

0.4

51.7

0

Please explain

All Grainger's entities fall under our consolidated accounting group with the exception of one property. The Scope 1-2 figures presented here are equal to the emissions from this one property.

Q7.23 Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

Not relevant as we do not have any subsidiaries

Q7.29 What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

Q7.30 Select which energy-related activities your organization has undertaken.

Indicate whether your organization undertook this energy-related activity in the reporting year	
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

Q7.30.1 Report your organization's energy consumption totals (excluding feedstocks) in MWh.

Heating value		MWh from renewable sources	MWh from non-renewable sources	Total (renewable + non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	7998	2018	10016.00
Consumption of purchased or acquired electricity	Unable to confirm heating value	6035	345	6380.00
Consumption of purchased or acquired heat	Unable to confirm heating value	0	10.83	10.83
Consumption of self-generated non-fuel renewable energy	Unable to confirm heating value	157		157.00
Total energy consumption	Unable to confirm heating value	14190	2374	16564.00

Q7.30.6 Select the applications of your organization’s consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

Q7.30.7 State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Response 1: Sustainable biomass

Heating value

HHV

Total fuel MWh consumed by the organization

921

Comment

At one asset, Grainger consumes sustainable biomass, which through combustion provides heat to a series of apartments.

Response 2: Other biomass

Heating value

HHV

Total fuel MWh consumed by the organization

0

Comment

No fuels are consumed of this nature by Grainger

Response 3: Other renewable fuels (e.g. renewable hydrogen)

Heating value

HHV

Total fuel MWh consumed by the organization

7077

Comment

During FY24, Grainger continued to switch properties using gas onto a green gas contract. This figure represents the total amount of green gas consumed through these contracts

Response 4: Coal

Heating value

HHV

Total fuel MWh consumed by the organization

0

Comment

No fuels are consumed of this nature by Grainger

Response 5: Oil

Heating value

HHV

Total fuel MWh consumed by the organization

0

Comment

No fuels are consumed of this nature by Grainger

Response 6: Gas

Heating value

HHV

Total fuel MWh consumed by the organization

1885

Comment

Natural Gas is the primary source of fuel consumption for Grainger, which is used to heat common spaces across the property portfolio

Response 7: Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value

HHV

Total fuel MWh consumed by the organization

133

Comment

In this case, other fuels refers to the MWh consumed by Grainger through fuels used (Petrol/Diesel) by its fleet.
\\t\\t\\t\\t\\t

Response 8: Total fuel

Heating value

HHV

Total fuel MWh consumed by the organization

10016

Comment

This represents the total fuel consumed via biomass, natural gas and vehicle fuel.\\t\\t\\t\\t\\t

Q7.30.9 Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Electricity	Heat
Total Gross generation (MWh)	157	9883
Generation that is consumed by the organization (MWh)	157	9883
Gross generation from renewable sources (MWh)	157	7998
Generation from renewable sources that is consumed by the organization (MWh)	157	7998

Q7.30.14 Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in 7.7.

Response 1: Row 1

Country/area

United Kingdom

Sourcing method

Retail supply contract with an electricity supplier (retail green electricity)

Energy carrier

Electricity

Low-carbon technology type

Renewable energy mix: Combination of Solar PV, Wind, Hydropower & Biomass

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

Metric denominator

unit total revenue

Metric denominator: Unit total

290100000

Scope 2 figure used

Location-based

% change from previous year

15.3

Direction of change

Decreased

Reasons for change

- Change in revenue
- Change in renewable energy consumption
- Other emissions reduction activities

Please explain

Total Scope 1 and 2 emissions for this year (1,757tCO₂e Location-Based) have decreased by 8% from the previous year (1,911tCO₂e Location-Based). This is a result of several factors, which have been listed in 7.10.1. This is combined with an increase in total revenue of Grainger PLC, from £267.1 mill (FY23) to £290.1mill (FY24), an increase of 9%. The decrease in emissions and increase in revenue have combined to result in the reduction of the intensity figure. \t\t\t\t\t

Response 2: Row 2

Intensity figure

0.16651561

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO₂e)

1757

Metric denominator

Other: Number of Owned Units

Metric denominator: Unit total

10554

Scope 2 figure used

Location-based

% change from previous year

18.5

Direction of change

Decreased

Reasons for change

- Change in renewable energy consumption
- Other emissions reduction activities

Please explain

Total Scope 1 and 2 emissions for this year (1,757tCO₂e Location-Based) have decreased by 8% from the previous year (1,911tCO₂e Location-Based). This is a result of several factors, which have been listed in 7.10.1. This is combined with an increase in number of owned units, which increased from 9,354 (FY23) to 10,554 (FY24), an increase of 13%. The decrease in emissions and increase in owned units have combined to result in the reduction of the intensity figure. \t\t\t\t\t

Response 3: Row 3

Intensity figure

0.00213952

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO₂e)

1757

Metric denominator

Other: Gross Internal Area (m³)

Metric denominator: Unit total

821400

Scope 2 figure used

Location-based

% change from previous year

17.1

Direction of change

Decreased

Reasons for change

- Change in renewable energy consumption
- Other emissions reduction activities

Please explain

Total Scope 1 and 2 emissions for this year (1,757tCO₂e Location-Based) have decreased by 8% from the previous year (1,911tCO₂e Location-Based). This is a result of several factors, which have been listed in 7.10.1. This is combined with an increase in gross internal area (m²), which increased from 740,602 (FY23) to 821,400 (FY24), an increase of 11%. The decrease in emissions and increase in gross internal area have combined to

result in the reduction of the intensity figure. \t\t\t\t\t

Q7.52 Provide any additional climate-related metrics relevant to your business.

Response 1: Row 1

Description

Energy usage

Metric value

19.2

Metric numerator

kilowatt hours

Metric denominator (intensity metric only)

m2

% change from previous year

2.9

Direction of change

Decreased

Please explain

Grainger reports energy intensity for our property portfolio. Energy intensity is reducing due to our business strategy to invest in high quality new energy efficient homes and the energy efficiency initiatives we have implemented on our existing long-term hold assets.

Q7.53 Did you have an emissions target that was active in the reporting year?

- Intensity target
- Absolute target

Q7.53.1 Provide details of your absolute emissions targets and progress made against those targets.

Response 1: Row 1

Target reference number

Abs 1

Is this a science-based target?

Yes, and this target has been approved by the Science Based Targets initiative

Science Based Targets initiative official validation letter

SBTi Near-Term Approval Letter-Grainger.pdf

Target ambition

1.5°C aligned

Date target was set

2024-09-26

Target coverage

Organization-wide

Greenhouse gases covered by target

- Sulphur hexafluoride (SF6)
- Nitrogen trifluoride (NF3)
- Hydrofluorocarbons (HFCs)
- Perfluorocarbons (PFCs)
- Carbon dioxide (CO2)
- Nitrous oxide (N2O)
- Methane (CH4)

Scopes

- Scope 2
- Scope 1

Scope 2 accounting method

Location-based

End date of base year

2023-09-29

Base year Scope 1 emissions covered by target (metric tons CO2e)

754

Base year Scope 2 emissions covered by target (metric tons CO2e)

1157

Base year total Scope 3 emissions covered by target (metric tons CO2e)

0.000

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

1911.000

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

End date of target

2030-09-29

Targeted reduction from base year (%)

42

Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

1108.380

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

433.9

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

1323.51

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

1757.410

Land-related emissions covered by target

Yes, it covers land-related emissions/removals associated with bioenergy and non-land related emissions (e.g. non-FLAG SBT with bioenergy)

% of target achieved relative to base year

19.14

Target status in reporting year

Underway

Explain target coverage and identify any exclusions

This target covers all Grainger' s scope 1 and 2 emissions and uses the absolute contraction approach. There is a separate intensity target covering Scope 3 emissions that has also been validation by SBTi. The target boundary includes land-related emissions and removals from bioenergy relating to Grainger' s use of biogas and biomass for heating.

Target objective

The strategic objective of the target is to reduce Grainger' s direct emissions in line with the UK Government' s net zero target. This target supports the implementation of Grainger' s Net Zero Carbon Pathway.

Plan for achieving target, and progress made to the end of the reporting year

Grainger plans to achieve the target through refurbishing our properties, transitioning away from gas heating systems and generating renewable energy. The target is aligned to the UK's carbon reduction commitments and nationally determined contributions aligned to the Paris Agreement. The anticipated progress curve is variable and progress is monitored annually and will be reported in the company's annual reports. The emissions reduction initiatives which have contributed most to progress against the target to date are transitioning gas to green gas and divesting out of less efficient properties. In addition to emissions reduction we use energy intensity to monitor progress towards our target.

Target derived using a sectoral decarbonization approach

No

Q7.53.2 Provide details of your emissions intensity targets and progress made against those targets.

Response 1: Row 1

Target reference number

Int 1

Is this a science-based target?

Yes, and this target has been approved by the Science Based Targets initiative

Science Based Targets initiative official validation letter

SBTi Near-Term Approval Letter-Grainger.pdf

Target ambition

Well-below 2°C aligned

Date target was set

2024-09-26

Target coverage

Organization-wide

Greenhouse gases covered by target

- Sulphur hexafluoride (SF6)
- Nitrous oxide (N2O)
- Nitrogen trifluoride (NF3)
- Hydrofluorocarbons (HFCs)
- Carbon dioxide (CO2)
- Perfluorocarbons (PFCs)
- Methane (CH4)

Scopes

Scope 3

Scope 3 categories

- Category 13: Downstream leased assets
- Category 2: Capital goods

Intensity metric

Metric tons CO2e per square meter

End date of base year

2023-09-29

Intensity figure in base year for Scope 3, Category 2: Capital goods

0.0683

Intensity figure in base year for Scope 3, Category 13: Downstream leased assets

0.03

Intensity figure in base year for total Scope 3

0.0983000000

Intensity figure in base year for all selected Scopes

0.0983000000

% of total base year emissions in Scope 3, Category 2: Capital goods covered by this Scope 3, Category 2: Capital goods intensity figure

100

% of total base year emissions in Scope 3, Category 13: Downstream leased assets covered by this Scope 3, Category 13: Downstream leased assets intensity figure

100

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this total Scope 3 intensity figure

88

% of total base year emissions in all selected Scopes covered by this intensity figure

88

End date of target

2030-09-29

Targeted reduction from base year (%)

51.6

Intensity figure at end date of target for all selected Scopes

0.0475772000

% change anticipated in absolute Scope 3 emissions

-30

Intensity figure in reporting year for Scope 3, Category 2: Capital goods

0.0444

Intensity figure in reporting year for Scope 3, Category 13: Downstream leased assets

0.0259

Intensity figure in reporting year for total Scope 3

0.0703000000

Intensity figure in reporting year for all selected Scopes

0.0703000000

Land-related emissions covered by target

Yes, it covers land-related emissions/removals associated with bioenergy and non-land related emissions (e.g. non-FLAG SBT with bioenergy)

% of target achieved relative to base year

55.20

Target status in reporting year

Underway

Explain target coverage and identify any exclusions

This target covers Grainger's scope 3 emissions from capital goods (development and refurbishment activity) and downstream leased assets (emissions from customers use of energy in our buildings) and uses the physical intensity approach. There is a separate absolute target covering Scope 1 and 2 emissions that has also been validated by SBTi. The target boundary includes land-related emissions and removals from bioenergy relating to Grainger's use of biogas and biomass for heating.

Target objective

The strategic objective of the target is to reduce Grainger's indirect emissions in line with the UK Government's net zero target. This target supports the implementation of Grainger's Net Zero Carbon Pathway to reduce embodied carbon from our development projects and operational carbon from our property portfolio.

Plan for achieving target, and progress made to the end of the reporting year

Grainger plans to achieve the target through refurbishing our properties, transitioning away from gas heating systems and engagement with our customers and our supply chain partners. The target is aligned to the UK's carbon reduction commitments and nationally determined contributions aligned to the Paris Agreement. The anticipated progress curve is variable and progress is monitored annually and will be reported in the company's annual reports. The emissions reduction initiatives which have contributed most to progress against the target to date are divesting out of less efficient properties and implementing our Living a Greener Life customer engagement campaign. In addition to emissions reduction we use energy intensity and embodied carbon intensity metrics to monitor progress towards our target.

Target derived using a sectoral decarbonization approach

No

Q7.54 Did you have any other climate-related targets that were active in the reporting year?

Net-zero targets

Q7.54.3 Provide details of your net-zero target(s).

Response 1: Row 1

Target reference number

NZ1

Date target was set

2019-09-30

Target Coverage

Organization-wide

Targets linked to this net zero target

Int1

End date of target for achieving net zero

2030-09-29

Is this a science-based target?

No, but we anticipate setting one in the next two years

Scopes

- Scope 1
- Scope 2

Greenhouse gases covered by target

- Methane (CH₄)
- Carbon dioxide (CO₂)
- Nitrous oxide (N₂O)

Explain target coverage and identify any exclusions

This target relates to our Scope 1 and 2 emissions only as data protection requirements make gathering Scope 3 data for our customers energy use challenging. Following the successful implementation of Grainger's customer emissions measurement strategy, we have now set a new target covering Scope 1, 2 and 3 validated by the Science-Based Targets Initiative. Our net zero target applies to all our buildings, our offices and our fleet covering all Scope 1 and 2 emissions. Our strategy to achieve net zero carbon is through 1) enhancing the energy efficiency of our properties, 2) upgrading central plant to low-carbon heating and 3) procuring 100% renewable electricity.

Target objective

Achieve net zero carbon by 2030 for our business operations (includes all Scope 1 and 2 emissions), supporting our strategy to deliver energy efficient rental homes and reduce the emissions from Grainger’s operations in alignment with the UK Government’s net zero target.

Do you intend to neutralize any residual emissions with permanent carbon removals at the end of the target?

Yes

Do you plan to mitigate emissions beyond your value chain?

No, we do not plan to mitigate emissions beyond our value chain

Do you intend to purchase and cancel carbon credits for neutralization and/or beyond value chain mitigation?

Yes, we plan to purchase and cancel carbon credits for neutralization at the end of the target

Planned milestones and/or near-term investments for neutralization at the end of the target

We hope to have neutralised all emissions, however there may be a small amount of natural gas used in our void properties which we may need to offset through purchasing high quality credits in alignment with the best practice principles set out by the UK Green Building Council. We will make the investments in the year before the target year. We are also exploring options to use Grainger land for PV generation or tree-planting for offsetting.

Target status in reporting year

Underway

Process for reviewing target

Progress against the target is measured and reported annually. Now that Grainger has set a SBTi validated target covering Scope 1, 2 and 3 emissions we are considering if we retire this target for future years.

Q7.55 Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

Q7.55.1 Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e
Under investigation	0	
To be implemented	0	0
Implementation commenced	0	0
Implemented	239	86.5
Not to be implemented	0	

Q7.55.2 Provide details on the initiatives implemented in the reporting year in the table below.

Response 1: Row 1

Initiative category & Initiative type

Energy efficiency in buildings: Draught proofing

Estimated annual CO2e savings (metric tonnes CO2e)

13.75

Scope(s) or Scope 3 category(ies) where emissions savings occur

- Scope 2 (market-based)
- Scope 2 (location-based)
- Scope 3 category 13: Downstream leased assets

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency - as specified in 1.2)

4961

Investment required (unit currency - as specified in 1.2)

562273

Payback period

No payback

Estimated lifetime of the initiative

21-30 years

Comment

Window replacement project on long-term hold asset. The monetary savings are experienced by Grainger's customers as they purchase their own energy and so there is no payback for Grainger. There may be some minor savings on the communal electricity at the asset and Grainger's Scope 2 emissions

Response 2: Row 2

Initiative category & Initiative type

Energy efficiency in buildings: Heating, Ventilation and Air Conditioning (HVAC)

Estimated annual CO2e savings (metric tonnes CO2e)

28.06

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 3 category 13: Downstream leased assets

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency - as specified in 1.2)

19520

Investment required (unit currency - as specified in 1.2)

564806

Payback period

No payback

Estimated lifetime of the initiative

16-20 years

Comment

Installation of new energy efficient heating systems during unit refurbishments. The monetary savings are experienced by Grainger's customers as they purchase their own energy and so there is no payback for Grainger.

Response 3: Row 3

Initiative category & Initiative type

Energy efficiency in buildings: Draught proofing

Estimated annual CO2e savings (metric tonnes CO2e)

16.34

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 3 category 13: Downstream leased assets

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency - as specified in 1.2)

6020

Investment required (unit currency - as specified in 1.2)

255722

Payback period

No payback

Estimated lifetime of the initiative

21-30 years

Comment

Window replacements during unit refurbishments. The monetary savings are experienced by Grainger's customers as they purchase their own energy and so there is no payback for Grainger.

Response 4: Row 4

Initiative category & Initiative type

Energy efficiency in buildings: Insulation

Estimated annual CO2e savings (metric tonnes CO2e)

22.2

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 3 category 13: Downstream leased assets

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency - as specified in 1.2)

8510

Investment required (unit currency - as specified in 1.2)

141509

Payback period

No payback

Estimated lifetime of the initiative

>30 years

Comment

Enhanced insulation during unit refurbishments. The monetary savings are experienced by Grainger's customers as they purchase their own energy and so there is no payback for Grainger.

Response 5: Row 5

Initiative category & Initiative type

Energy efficiency in buildings: Lighting

Estimated annual CO2e savings (metric tonnes CO2e)

6.14

Scope(s) or Scope 3 category(ies) where emissions savings occur

- Scope 2 (market-based)
- Scope 1
- Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency - as specified in 1.2)

4092

Investment required (unit currency - as specified in 1.2)

2314361

Payback period

16-20 years

Estimated lifetime of the initiative

11-15 years

Comment

Refurbishments including energy efficient lighting carried out at two Grainger offices (London and Birmingham) delivering Scope 2 emissions savings. Our Birmingham office now has all-electric heating delivering Scope 1 savings. The investment on lighting cannot be split from the total investment in the office refurbishment works and so the payback period may appear longer than it is.

Q7.55.3 What methods do you use to drive investment in emissions reduction activities?

Response 1: Row 1

Method

Dedicated budget for low-carbon product R&D

Comment

Grainger has a budget for trialling heat pumps and other low carbon technologies in our properties. We intend for this trial to be supported by academic research and to provide data which informs our decision-making on the correct types of heat pumps and accompanying technologies to implement as part of low carbon retrofits to our buildings

Response 2: Row 2

Method

Financial optimization calculations

Comment

We identify energy improvement opportunities to retrofit properties either using funding schemes or capital investment. All such opportunities are subject to a cost-benefit analysis to ensure payback periods are appropriate.

Response 3: Row 3

Method

Dedicated budget for energy efficiency

Comment

Through our property operating budgets, we specifically allocate relatively significant sums to energy efficiency improvements for the common parts of our buildings, such as lighting systems upgrades. We also allocate budgets for individual unit refurbishments which include boiler, appliance and window replacements. We use our EPC database and the outcomes of property surveys and energy audits to target properties for energy efficiency upgrades with budgets allocated to undertake improvement works as part of our planned maintenance programme.

Response 4: Row 4

Method

Employee engagement

Comment

We provide employee sustainability training through learning hour sessions and a dedicated Royal Institute of Chartered Surveyors aligned sustainability training session held annually, which covers topics including the financial implications of climate change and the link between sustainability and asset value. We have also engaged all staff involved in the process for collecting energy meter readings from our properties, including our property managers to ensure they understand the reasons for the investment made in collecting energy consumption information, and the implications of non-compliance. The Grainger sustainability target-setting process engages business division managers throughout the company in setting targets for their business units, which are then included in their planning and budgets for the year. We also publish regular communications to employees on the results of our sustainability programme and how they can get involved in delivering sustainability improvements in their roles. Our Head of Sustainability & CSR provides regular updates on company-wide calls which emphasise how employees can get involved in helping deliver specific sustainability objectives and projects. Sustainability including climate-related issues is also included as a workshop session at our company-wide conferences.

Response 5: Row 5

Method

Internal incentives/recognition programs

Comment

We incorporate environmental performance into personal development plans for employees who have responsibility for specific emissions reduction related targets and projects, and these inform their remuneration. We also offer employee awards to recognise outstanding performance on sustainability.

Response 6: Row 6

Method

Compliance with regulatory requirements/standards

Comment

Grainger has allocated budget for EPCs to be undertaken on all properties to understand risk from the Minimum Energy Efficiency Regulations which have applied from 2020 with higher standards proposed to apply from 2030. Expanding our database of EPCs enables us to better understand the carbon impact of our assets and prioritise improvement works. This information also helps us to plan for the impact of anticipated increased Minimum Energy Efficiency legislation in advance so we can budget for future improvement works. Grainger also commissions external sustainability consultants to map and measure the GHG emissions from

our business activities, enabling us to report in line with UK mandatory GHG reporting requirements and to measure the impact improvement works have on our buildings performance.

Q7.72 Does your organization assess the life cycle emissions of new construction or major renovation projects?

Response 1:

Assessment of life cycle emissions

Yes, both qualitative and quantitative assessment

Comment

Whole life carbon assessments are undertaken on Grainger' s development projects

Q7.72.1 Provide details of how your organization assesses the life cycle emissions of new construction or major renovation projects.

Response 1:

Projects assessed

Other: Direct development projects. These are projects where Grainger can influence the design of the building and appoints the contractor who will undertake construction, meaning we can influence the whole life carbon from the project.

Earliest project phase that most commonly includes an assessment

Design phase

Life cycle stage(s) most commonly covered

Whole life

Methodologies/standards/tools applied

- Whole life carbon assessment for the built environment (RICS)
- ISO 14025

Comment

We undertake whole life carbon assessments using the RICS methodology which quantify the whole life carbon emissions of the development for all direct development projects. Grainger owns and operates its buildings over the long-term and to minimise carbon over the use stage when we are designing new build to rent developments, we select lower carbon materials for the construction and fit-out of our buildings that have good longevity and lower maintenance requirements. We use Environmental Product Declarations to inform our decision-making, which assess the life cycle impact of products using ISO 14025. The findings from the assessments undertaken on Grainger' s developments have enabled us to establish a baseline for embodied carbon and develop a roadmap to reducing it which has informed us setting a carbon reduction target for embodied carbon reduction on development projects for 2030.

Q7.72.2 Can you provide embodied carbon emissions data for any of your organization's new construction or major renovation projects completed in the last three years?

Response 1:

Ability to disclose embodied carbon emissions

No

Comment

The developments for which we have completed whole life carbon assessments and have embodied carbon emissions data are under construction and have not yet been completed. We will report embodied carbon emissions data for projects once they are completed.

Q7.74 Do you classify any of your existing goods and/or services as low-carbon products?

Yes

Q7.74.1 Provide details of your products and/or services that you classify as low-carbon products.

Response 1: Row 1

Level of aggregation

Product or service

Taxonomy used to classify product(s) or service(s) as low-carbon

Climate Bonds Taxonomy

Type of product(s) or service(s)

Other: Other: Eco homes

Description of product(s) or service(s)

Kew Bridge Court eco homes offer modern, spacious living. Each home has been designed with the environment in mind, including solar panels, extensive insulation, green roof gardens, ventilation systems and underfloor heating. The homes have the highest energy efficiency rating of A and benefit from an integral garage with an electric car charger. The products comply with the Climate Bonds Taxonomy definition for low carbon products which identifies residential low carbon products as '\` New & existing builds - demonstrates top percentile of the local market average and meets the requirements of recognised building standards and/or ratings schemes (e.g. high-level building codes or LEED Gold)\`'

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Yes

Methodology used to calculate avoided emissions

Other: Energy Performance Certificate data

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Use stage

Functional unit used

Annual CO2 emissions produced by a Kew Bridge eco home property compared to Annual CO2 emissions produced by the average household in England and Wales, as recorded on Energy Performance Certificate

Reference product/service or baseline scenario used

The annual CO2 emissions produced by an average household - 6 tonnes CO2, as recorded on the Energy Performance Certificate.

Life cycle stage(s) covered for the reference product/service or baseline scenario

Use stage

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

10.6

Explain your calculation of avoided emissions, including any assumptions

An attributional approach was used. The total emissions produced by the Kew Bridge Court eco homes are 13.4 tonnes CO2e. The average emissions per household are 6 tonnes, so 24 tonnes for 4 homes. The avoided emissions are therefore 10.6 tonnes. The data for the average household is from Energy Performance Certificates. The emissions reported on Energy Performance Certificates are based on assumptions about average occupancy and energy use and so they may not reflect how energy is consumed by the people living at the property.

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

0.07

Response 2: Row 2

Level of aggregation

Group of products or services

Taxonomy used to classify product(s) or service(s) as low-carbon

Climate Bonds Taxonomy

Type of product(s) or service(s)

Power: Other: Build to rent apartments

Description of product(s) or service(s)

Grainger's build to rent portfolio is designed to high sustainability standards, with renewable and low carbon energy systems including photovoltaic panels and electric heating. Smart meters in all apartments encourage residents to minimise their energy consumption. The assets are located in proximity to train stations with cycle storage and electric car chargers provided to enable residents to avoid emissions from travel. The apartments have energy efficiency B ratings and some were built to the now-defunct standard Code for Sustainable Homes level 4. They typically produce 0.9 tonnes of carbon per year, compared to 6.0 tonnes for the average home. The products comply with the Climate Bonds Taxonomy definition for low carbon products which identifies residential low carbon products as 'New & existing builds - demonstrates top percentile of the local market average and meets the requirements of recognised building standards and/or ratings

schemes (e.g. high-level building codes or LEED Gold)\'

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Yes

Methodology used to calculate avoided emissions

Other: Actual data sourced during Scope 3 data collation

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Use stage

Functional unit used

Annual CO2 emissions produced by a Build to Rent apartment compared to Annual CO2 emissions produced by the average household in England and Wales, as recorded on Energy Performance Certificate

Reference product/service or baseline scenario used

The annual CO2 emissions produced by an average household - 6 tonnes CO2, as recorded on the Energy Performance Certificate.

Life cycle stage(s) covered for the reference product/service or baseline scenario

Use stage

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

30608

Explain your calculation of avoided emissions, including any assumptions

An attributional approach was used. The total emissions produced by Grainger's Build to Rent portfolio are 5,626 tonnes CO2. The average emissions per household are 6 tonnes, so 36,234 tonnes for the portfolio of 6,039 homes. The avoided emissions are therefore 30,608 tonnes. The data for the average household is from Energy Performance Certificates. The emissions reported on Energy Performance Certificates are based on assumptions about average occupancy and energy use and so they may not reflect how energy is consumed by the people living at the property.

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

32

Response 3: Row 3

Level of aggregation

Product or service

Taxonomy used to classify product(s) or service(s) as low-carbon

Climate Bonds Taxonomy

Type of product(s) or service(s)

Power: Other: Homes refurbished to BREEAM Outstanding

Description of product(s) or service(s)

The Climate Bonds Taxonomy identifies residential low carbon products as '\` New & existing builds - demonstrates top percentile of the local market average and meets the requirements of recognised building standards and/or ratings schemes (e.g. high-level building codes or LEED Gold)\`'. Tribe Apartments were refurbished to BREEAM Domestic Refurbishment Outstanding. Powered by a biomass boiler, the homes offer a sustainable alternative to what is currently on the market.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Yes

Methodology used to calculate avoided emissions

Other: Energy Performance Certificate data

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Use stage

Functional unit used

Annual CO2 emissions produced by a Tribe Apartments property compared to Annual CO2 emissions produced by the average household in England and Wales, as recorded on Energy Performance Certificate

Reference product/service or baseline scenario used

The annual CO2 emissions produced by an average household - 6 tonnes CO2, as recorded on the Energy Performance Certificate.

Life cycle stage(s) covered for the reference product/service or baseline scenario

Use stage

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

1064

Explain your calculation of avoided emissions, including any assumptions

An attributional approach was used. The total emissions produced by Tribe Apartments are 88 tonnes CO2e. The average emissions per household are 6 tonnes, so 1,152 tonnes for 192 homes. The avoided emissions are therefore 1,064 tonnes. The data for the average household is from Energy Performance Certificates. The emissions reported on Energy Performance Certificates are based on assumptions about average occupancy and energy use and so they may not reflect how energy is consumed by the people living at the property.

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

0.8

Q7.76 Does your organization manage net zero carbon buildings?

No, but we plan to in the future

Q7.77 Did your organization complete new construction or major renovations projects designed as net zero carbon in the last three years?

No, but we plan to in the future

Q7.78 Explain your organization's plan to manage, develop or construct net zero carbon buildings, or explain why you do not plan to do so.

Grainger has set a commitment for our buildings to be net zero carbon in operation by 2030. We are using the UK Green Building Council's framework definition for net zero carbon buildings. This commitment will apply to our existing portfolio and development pipeline. We have commenced a number of projects on our pathway towards achieving this commitment, including projects to pilot low carbon energy technologies in our buildings and to transition all our procured electricity to be 100% renewable. Our new buildings are designed to be net zero carbon ready and where permitted by planning authorities use wholly electric heating systems. We are also measuring embodied carbon of our new buildings under construction. Grainger has contributed to an industry project to develop a Net Zero Carbon Buildings Standard and we intend to certify our buildings as net zero carbon in the future.

Q7.79 Has your organization retired any project-based carbon credits within the reporting year?

No

Q9.1 Are there any exclusions from your disclosure of water-related data?

No

Q9.2 Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

Response 1: Water withdrawals - total volumes

% of sites/facilities/operations

100%

Frequency of measurement

Continuously

Method of measurement

Measured through water meters at each facility

Please explain

Grainger has a small number of municipal water supplies that typically supply taps used for cleaning or irrigation for our properties. Meters are installed which measure the total water withdrawal from the municipal supply.

Response 2: Water withdrawals - volumes by source

% of sites/facilities/operations

100%

Frequency of measurement

Continuously

Method of measurement

Measured through water meters at each facility

Please explain

Grainger has a small number of municipal water supplies that typically supply taps used for cleaning or irrigation for our properties. Meters are installed which measure the total water withdrawal from the municipal supply. There are no other relevant withdrawal sources.

Response 3: Water withdrawals quality

% of sites/facilities/operations

100%

Frequency of measurement

Yearly

Method of measurement

Measured through water sampling at each facility

Please explain

Grainger undertakes water sampling and testing for water quality at our properties, typically at least annually. This applies to all sites with communal water taps (for cleaners cupboards, bin taps and outdoor taps). Sampling is also undertaken on water tanks.

Response 4: Water discharges - total volumes

% of sites/facilities/operations

100%

Frequency of measurement

Quarterly

Method of measurement

Invoices received from water suppliers

Please explain

Grainger has a small number of municipal water supplies that typically supply taps used for cleaning or irrigation for our properties. The water discharges are monitored by the water supplier and are reported on the water invoices supplied to Grainger.

Response 5: Water discharges - volumes by destination

% of sites/facilities/operations

100%

Frequency of measurement

Quarterly

Method of measurement

Invoices received from water suppliers

Please explain

Grainger has a small number of municipal water supplies that typically supply taps used for cleaning or irrigation for our properties. The water discharges are sent to a municipal wastewater treatment facility. Wastewater is reported on the water invoices supplied to Grainger. There are no other relevant discharge destinations.

Response 6: Water discharges - volumes by treatment method

% of sites/facilities/operations

Not monitored

Please explain

The treatment method of municipal water supplies is determined by the water supplier and this information is not provided to the user.

Response 7: Water discharge quality - by standard effluent parameters

% of sites/facilities/operations

Not monitored

Please explain

The water quality of municipal supplies is monitored by the water supplier in accordance with the UK Water Supply (Water Quality) Regulations.

Response 8: Water discharge quality - emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)

% of sites/facilities/operations

Not monitored

Please explain

The water quality of municipal supplies is monitored by the water supplier in accordance with the UK Water Supply (Water Quality) Regulations.

Response 9: Water discharge quality - temperature

% of sites/facilities/operations

Not monitored

Please explain

The water quality of municipal supplies is monitored by the water supplier in accordance with the UK Water Supply (Water Quality) Regulations.

Response 10: Water consumption - total volume

% of sites/facilities/operations

100%

Frequency of measurement

Continuously

Method of measurement

Measured through water meters at each facility

Please explain

Grainger has a small number of municipal water supplies that typically supply taps used for cleaning or irrigation for our properties. Meters are installed which measure the total water consumed across the site.

Response 11: Water recycled/reused

% of sites/facilities/operations

Not monitored

Please explain

Grainger reuses a small amount of water for irrigation but this is not metered and therefore cannot be measured.

Response 12: The provision of fully-functioning, safely managed WASH services to all workers

% of sites/facilities/operations

100%

Frequency of measurement

Other: Every two years

Method of measurement

Water risk assessments undertaken at all offices and sites

Please explain

Grainger undertakes water risk assessments every two years at all offices and all sites and these include water hygiene testing.

Q9.2.2 What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?

Response 1: Total withdrawals

Volume (megaliters/year)

25.1

Comparison with previous reporting year

Higher

Primary reason for comparison with previous reporting year

Increase/decrease in business activity

Five-year forecast

About the same

Primary reason for forecast

Increase/decrease in business activity

Please explain

Grainger' s business strategy is to sell out of non-core assets and invest in new high quality PRS assets. We expect to sell the remaining two non-core assets with direct water withdrawals in the next five years but this is expected to be offset by acquisitions of new buildings

Response 2: Total discharges

Volume (megaliters/year)

23.8

Comparison with previous reporting year

Higher

Primary reason for comparison with previous reporting year

Increase/decrease in business activity

Five-year forecast

About the same

Primary reason for forecast

Increase/decrease in business activity

Please explain

Grainger' s business strategy is to sell out of non-core assets and invest in new high quality PRS assets. We expect to sell the remaining two non-core assets with direct water discharges in the next five years but this is expected to be offset by acquisitions of new buildings

Response 3: Total consumption

Volume (megaliters/year)

1.3

Comparison with previous reporting year

Higher

Primary reason for comparison with previous reporting year

Increase/decrease in business activity

Five-year forecast

About the same

Primary reason for forecast

Increase/decrease in business activity

Please explain

Grainger's business strategy is to sell out of non-core assets and invest in new high quality PRS assets. We expect to sell the remaining two non-core assets with direct water consumption in the next five years but this is expected to be offset by acquisitions of new buildings

Q9.2.4 Indicate whether water is withdrawn from areas with water stress, provide the volume, how it compares with the previous reporting year, and how it is forecasted to change.

Response 1:

Withdrawals are from areas with water stress

Yes

Volume withdrawn from areas with water stress (megaliters)

18.14

Comparison with previous reporting year

Higher

Primary reason for comparison with previous reporting year

Increase/decrease in business activity

Five-year forecast

Lower

Primary reason for forecast

Increase/decrease in business activity

% of total withdrawals that are withdrawn from areas with water stress

72.27

Identification tool

WRI Aqueduct

Please explain

We used the Aqueduct Water Risk Atlas (WRI), for the category 'Water Stress' to find facilities located in areas with high or very high water stress. Grainger only has a small amount of water withdrawals and consumption and the majority of our assets with water consumption are located in London and the South East which has high baseline water stress. Some of these assets we plan to divest from and so water withdrawn from water stressed areas is expected to decrease over the next five years

Q9.2.7 Provide total water withdrawal data by source.

Response 1: Fresh surface water, including rainwater, water from wetlands, rivers, and lakes

Relevance

Not relevant

Please explain

Grainger only withdraws water from municipal water supplies.

Response 2: Brackish surface water/Seawater

Relevance

Not relevant

Please explain

Grainger only withdraws water from municipal water supplies.

Response 3: Groundwater - renewable

Relevance

Not relevant

Please explain

Grainger only withdraws water from municipal water supplies.

Response 4: Groundwater - non-renewable

Relevance

Not relevant

Please explain

Grainger only withdraws water from municipal water supplies.

Response 5: Produced/Entrained water

Relevance

Not relevant

Please explain

Grainger only withdraws water from municipal water supplies.

Response 6: Third party sources

Relevance

Relevant

Volume (megaliters/year)

25.1

Comparison with previous reporting year

Higher

Primary reason for comparison with previous reporting year

Increase/decrease in business activity

Please explain

Grainger only withdraws water from municipal water supplies. Water withdrawal increased since the previous reporting year due to an increase in water meters included.

Q9.2.8 Provide total water discharge data by destination.

Response 1: Fresh surface water

Relevance

Not relevant

Please explain

Grainger only discharges water to municipal water supplies

Response 2: Brackish surface water/seawater

Relevance

Not relevant

Please explain

Grainger only discharges water to municipal water supplies

Response 3: Groundwater

Relevance

Not relevant

Please explain

Grainger only discharges water to municipal water supplies

Response 4: Third-party destinations

Relevance

Relevant

Volume (megaliters/year)

23.8

Comparison with previous reporting year

Higher

Primary reason for comparison with previous reporting year

Increase/decrease in business activity

Please explain

Grainger only discharges water to municipal water supplies. Water discharges increased since the previous reporting year due to an increase in water meters included.

Q9.3 In your direct operations and upstream value chain, what is the number of facilities where you have identified substantive water-related dependencies, impacts, risks, and opportunities?

Response 1: Direct operations

Identification of facilities in the value chain stage

Yes, we have assessed this value chain stage and identified facilities with water-related dependencies, impacts, risks, and opportunities

Total number of facilities identified

12

% of facilities in direct operations that this represents

1-25

Please explain

The definition we use for facility is an asset which is typically an apartment block or multiple blocks located on the same estate. We have considered PRS sites located in areas vulnerable to flood risk to have a potentially substantive water-related risk in line with our definition of substantive impact on our business. This is because a significant proportion of customers would be impacted if a flood event impacted these sites and the costs of rehousing residents could be significant. These assets are located in urban areas and there are both asset specific and municipal flood mitigation measures in place which lower the potential risk.

Response 2: Upstream value chain

Identification of facilities in the value chain stage

No, we have not assessed this value chain stage for facilities with water-related dependencies, impacts, risks, and opportunities, and are not planning to do so in the next 2 years

Please explain

Because Grainger's product is rental homes, we do not consider the products and services we procure from our suppliers to represent substantive water impacts. We have not been notified by our suppliers of any water-related risks or dependencies. We are focusing our efforts on assessing embodied carbon from the products and services we purchase which represents a much more substantive impact than water. Flood risk for Grainger's development sites is considered within the risk assessments undertaken for our direct operations

Q9.3.1 For each facility referenced in 9.3, provide coordinates, water accounting data, and a comparison with the previous reporting year.

Response 1: Row 1

Facility reference number

Facility 1

Facility name (optional)

Clippers Quay

Value chain stage

Direct operations

Dependencies, impacts, risks, and/or opportunities identified at this facility

Risks

Withdrawals or discharges in the reporting year

No

Reason for no withdrawals and/or discharges

The facility is located in an area assessed as being vulnerable to flood risk from river flooding. There is no water withdrawal or discharge for the communal areas of the building as there are no taps and therefore no municipal water supplies.

Country/Area & River basin

United Kingdom of Great Britain and Northern Ireland: Other: Irwell

Latitude

53.467255

Longitude

-2.288139

Located in area with water stress

No

Please explain

The facility is located in an area assessed as being vulnerable to flood risk from river flooding. The area is covered by the Salford City Council flood risk management strategy.

Response 2: Row 2

Facility reference number

Facility 2

Facility name (optional)

Hawkins & George

Value chain stage

Direct operations

Dependencies, impacts, risks, and/or opportunities identified at this facility

Risks

Withdrawals or discharges in the reporting year

No

Reason for no withdrawals and/or discharges

The facility is located in an area assessed as being vulnerable to flood risk from river flooding. There is no water withdrawal or discharge for the communal areas of the building as there are no taps and therefore no municipal water supplies.

Country/Area & River basin

United Kingdom of Great Britain and Northern Ireland: Other: Avon

Latitude

51.453949

Longitude

-2.588905

Located in area with water stress

No

Please explain

The facility is located in an area assessed as being vulnerable to flood risk from river flooding. The area Finzels Reach incorporates flood management strategies to mitigate the risks associated with its location on the Floating Harbour and the River Avon. These strategies include both natural and engineered solutions, such as flood defenses and sustainable urban drainage systems, to manage floodwater and protect the development.

Response 3: Row 3

Facility reference number

Facility 3

Facility name (optional)

Windlass Apartments

Value chain stage

Direct operations

Dependencies, impacts, risks, and/or opportunities identified at this facility

Risks

Withdrawals or discharges in the reporting year

No

Reason for no withdrawals and/or discharges

The facility is located in an area assessed as being vulnerable to flood risk from river flooding. There is no water withdrawal or discharge for the communal areas of the building as there are no taps and therefore no municipal water supplies.

Country/Area & River basin

United Kingdom of Great Britain and Northern Ireland: Thames

Latitude

51.588567

Longitude

-0.055472

Located in area with water stress

Yes

Please explain

The facility is located in an area assessed as being vulnerable to flood risk from river flooding. Hale Wharf in Tottenham, London, incorporates several flood protection measures, including maintaining minimum floor levels, utilizing Sustainable Drainage Systems (SUDS), and connecting to a local decentralized energy network.

Response 4: Row 4

Facility reference number

Facility 4

Facility name (optional)

The Headline

Value chain stage

Direct operations

Dependencies, impacts, risks, and/or opportunities identified at this facility

Risks

Withdrawals or discharges in the reporting year

Yes, withdrawals and discharges

Country/Area & River basin

United Kingdom of Great Britain and Northern Ireland: Other: Aire

Latitude

53.796009

Longitude

-1.559731

Located in area with water stress

No

Total water withdrawals at this facility (megaliters)

0.15

Comparison of total withdrawals with previous reporting year

Lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

0.15

Total water discharges at this facility (megaliters)

0.14

Comparison of total discharges with previous reporting year

Lower

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

0.14

Total water consumption at this facility (megaliters)

0.01

Comparison of total consumption with previous reporting year

Lower

Please explain

There is one municipal water tap at the facility which is supplying the common areas of the residential building and is primarily used for cleaning. Consumption reduced by 21% year on year which we classify as within the lower threshold of a <50% change. Data is sourced from direct measurement and all supplied from the municipal water supplier. The facility is located in an area assessed as being vulnerable to flood risk from rivers. All discharges are returned to the municipal supplier as wastewater. The Headline is protected by Municipal Flood Alleviation Schemes.

Leeds has implemented a comprehensive flood alleviation scheme to mitigate river flooding along the River Aire, primarily focused on protecting the city center and surrounding areas. Key components include the construction of flood defenses, such as walls and embankments, and the creation of significant water storage capacity upstream

Response 5: Row 6

Facility reference number

Facility 5

Facility name (optional)

Brook Place

Value chain stage

Direct operations

Dependencies, impacts, risks, and/or opportunities identified at this facility

Risks

Withdrawals or discharges in the reporting year

No

Reason for no withdrawals and/or discharges

The facility is located in an area assessed as being vulnerable to flood risk from river flooding. There is no water withdrawal or discharge for the communal areas of the building as there are no taps and therefore no municipal water supplies.

Country/Area & River basin

United Kingdom of Great Britain and Northern Ireland: Other: Don

Latitude

53.371267

Longitude

-1.483826

Located in area with water stress

No

Please explain

The facility is located in an area assessed as being vulnerable to flood risk from river flooding. Sheffield City Council has a Flood Risk Management Strategy which includes deculverting and naturalising stretches of the Porter Brook which is located next to Brook Place. The apartments have been located from the first floor upwards to minimise potential risk.

Response 6: Row 7

Facility reference number

Facility 6

Facility name (optional)

Gatehouse Apartments

Value chain stage

Direct operations

Dependencies, impacts, risks, and/or opportunities identified at this facility

Risks

Withdrawals or discharges in the reporting year

No

Reason for no withdrawals and/or discharges

The facility is located in an area assessed as being vulnerable to flood risk from coastal flooding. There is no water withdrawal or discharge for the communal areas of the building as there are no taps and therefore no municipal water supplies.

Country/Area & River basin

United Kingdom of Great Britain and Northern Ireland: Other: Southampton Water

Latitude

50.901723

Longitude

-1.400334

Located in area with water stress

No

Please explain

The facility is located in an area assessed as being vulnerable to flood risk from coastal flooding. Gatehouse apartments is protected by municipal flood defences in Southampton. Southampton is actively working to mitigate coastal flooding through various strategies, including a tidal flood alleviation scheme and a broader Coastal Flood and Erosion Risk Management Strategy. The city is also incorporating sustainable drainage systems and considering managed realignment as part of its approach to flood resilience

Response 7: Row 8

Facility reference number

Facility 7

Facility name (optional)

Argo Apartments

Value chain stage

Direct operations

Dependencies, impacts, risks, and/or opportunities identified at this facility

Risks

Withdrawals or discharges in the reporting year

No

Reason for no withdrawals and/or discharges

The facility is located in an area assessed as being vulnerable to flood risk from river flooding. There is no water withdrawal or discharge for the communal areas of the building as there are no taps and therefore no municipal water supplies.

Country/Area & River basin

United Kingdom of Great Britain and Northern Ireland: Thames

Latitude

51.509029

Longitude

0.013476

Located in area with water stress

Yes

Please explain

The facility is located in an area assessed as being vulnerable to flood risk from river flooding. There is a flood management plan for the wider estate Hallsville Quarter where the asset is located.

Response 8: Row 9

Facility reference number

Facility 8

Facility name (optional)

Pin Yard

Value chain stage

Direct operations

Dependencies, impacts, risks, and/or opportunities identified at this facility

Risks

Withdrawals or discharges in the reporting year

Yes, withdrawals and discharges

Country/Area & River basin

United Kingdom of Great Britain and Northern Ireland: Other: Aire

Latitude

53.788767

Longitude

-1.550957

Located in area with water stress

No

Total water withdrawals at this facility (megaliters)

0.06

Comparison of total withdrawals with previous reporting year

About the same

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

0.06

Total water discharges at this facility (megaliters)

0.05

Comparison of total discharges with previous reporting year

About the same

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

0.05

Total water consumption at this facility (megaliters)

0.01

Comparison of total consumption with previous reporting year

About the same

Please explain

There is one municipal water tap at the facility which is supplying the common areas of the residential building and is primarily used for cleaning. Consumption reduced by 6% year on year which we classify as within the same threshold of a <10% change. Data is sourced from direct measurement and all supplied from the municipal water supplier. The facility is located in an area assessed as being vulnerable to flood risk from rivers. All discharges are returned to the municipal supplier as wastewater. Pin Yard is protected by Municipal Flood Alleviation Schemes.

Leeds has implemented a comprehensive flood alleviation scheme to mitigate river flooding along the River Aire, primarily focused on protecting the city center and surrounding areas. Key components include the construction of flood defenses, such as walls and embankments, and the creation of significant water storage capacity upstream

Response 9: Row 10

Facility reference number

Facility 9

Facility name (optional)

Nautilus Apartments

Value chain stage

Direct operations

Dependencies, impacts, risks, and/or opportunities identified at this facility

Risks

Withdrawals or discharges in the reporting year

No

Reason for no withdrawals and/or discharges

The facility is located in an area assessed as being vulnerable to flood risk from river flooding. There is no water withdrawal or discharge for the communal areas of the building as there are no taps and therefore no municipal water supplies.

Country/Area & River basin

United Kingdom of Great Britain and Northern Ireland: Thames

Latitude

51.514099

Longitude

0.011298

Located in area with water stress

Yes

Please explain

The facility is located in an area assessed as being vulnerable to flood risk from river flooding. There is a flood management plan for the wider estate Hallsville Quarter where the asset is located.

Response 10: Row 11

Facility reference number

Facility 10

Facility name (optional)

The Condor

Value chain stage

Direct operations

Dependencies, impacts, risks, and/or opportunities identified at this facility

Risks

Withdrawals or discharges in the reporting year

Yes, withdrawals and discharges

Country/Area & River basin

United Kingdom of Great Britain and Northern Ireland: Other: Derwent

Latitude

52.921397

Longitude

-1.478655

Located in area with water stress

No

Total water withdrawals at this facility (megaliters)

0.03

Comparison of total withdrawals with previous reporting year

Much lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

0.03

Total water discharges at this facility (megaliters)

0.03

Comparison of total discharges with previous reporting year

Much lower

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

0.03

Total water consumption at this facility (megaliters)

0

Comparison of total consumption with previous reporting year

Much lower

Please explain

There are four municipal water taps at the facility which are supplying the common areas of the residential building and are primarily used for cleaning. Consumption reduced by 82% year on year which we classify as within the much lower threshold of a >50% change. This is due to the facility being fully leased up and operational in the year whereas in the previous year more cleaning was required as it was leasing up. The facility is located in an area assessed as being vulnerable to flood risk from river flooding. The Our City Our River (OCOR) flood protection scheme delivered by Derby City Council will protect the city centre including the area where The Condor is situated.

Response 11: Row 12

Facility reference number

Facility 11

Facility name (optional)

Millwrights Place

Value chain stage

Direct operations

Dependencies, impacts, risks, and/or opportunities identified at this facility

Risks

Withdrawals or discharges in the reporting year

No

Reason for no withdrawals and/or discharges

The facility is located in an area assessed as being vulnerable to flood risk from river flooding. There is no water withdrawal or discharge for the communal areas of the building as there are no taps and therefore no municipal water supplies.

Country/Area & River basin

United Kingdom of Great Britain and Northern Ireland: Other: Avon

Latitude

51.452427

Longitude

-2.585362

Located in area with water stress

No

Please explain

The facility is located in an area assessed as being vulnerable to flood risk from river flooding. The Finzels Reach area incorporates flood management strategies to mitigate the risks associated with its location on the Floating Harbour and the River Avon. These strategies include both natural and engineered solutions, such as flood defenses and sustainable urban drainage systems, to manage floodwater and protect the development. In addition the site has flood gates that can be erected in the event of a flood.

Response 12: Row 13

Facility reference number

Facility 12

Facility name (optional)

The Barnum

Value chain stage

Direct operations

Dependencies, impacts, risks, and/or opportunities identified at this facility

Risks

Withdrawals or discharges in the reporting year

No

Reason for no withdrawals and/or discharges

The facility is located in an area assessed as being vulnerable to flood risk from river flooding. There is no water withdrawal or discharge for the communal areas of the building as there are no taps and therefore no municipal water supplies.

Country/Area & River basin

United Kingdom of Great Britain and Northern Ireland: Trent

Latitude

52.946451

Longitude

-1.143688

Located in area with water stress

No

Please explain

The facility is located in an area assessed as being vulnerable to flood risk from river flooding. The site has flood doors on the lower ground floor that can be used in the event of a flood.

Q9.3.2 For the facilities in your direct operations referenced in 9.3.1, what proportion of water accounting data has been third party verified?**Response 1: Water withdrawals - total volumes****% verified**

Not verified

Please explain

Grainger only withdraws a small amount of water from municipal supplies for the common areas of our buildings, typically used for cleaning or irrigation and this is not considered sufficiently material to include it within the scope of our verification programme.

Response 2: Water withdrawals - volume by source**% verified**

Not verified

Please explain

Grainger only withdraws a small amount of water from municipal supplies for the common areas of our buildings, typically used for cleaning or irrigation and this is not considered sufficiently material to include it within the scope of our verification programme.

Response 3: Water withdrawals - quality by standard water quality parameters

% verified

Not relevant

Please explain

Not relevant as water quality is assessed by the municipal supplier and Grainger has no visibility to this information.

Response 4: Water discharges - total volumes

% verified

Not verified

Please explain

Grainger only discharges a small amount of water to municipal supplies for the common areas of our buildings, typically used for cleaning or irrigation and this is not considered sufficiently material to include it within the scope of our verification programme.

Response 5: Water discharges - volume by destination

% verified

Not verified

Please explain

Grainger only discharges a small amount of water to municipal supplies for the common areas of our buildings, typically used for cleaning or irrigation and this is not considered sufficiently material to include it within the scope of our verification programme.

Response 6: Water discharges - volume by final treatment level

% verified

Not relevant

Please explain

Not relevant as the municipal supplier is responsible for water treatment and Grainger has no visibility to this information.

Response 7: Water discharges - quality by standard water quality parameters

% verified

Not relevant

Please explain

Not relevant as water quality is assessed by the municipal supplier and Grainger has no visibility to this information.

Response 8: Water consumption - total volume

% verified

Not verified

Please explain

Grainger only consumes a small amount of water to municipal supplies for the common areas of our buildings, typically used for cleaning or irrigation and this is not considered sufficiently material to include it within the scope of our verification programme.

Q9.5 Provide a figure for your organization's total water withdrawal efficiency.

Response 1:

Revenue (currency)

290100000

Total water withdrawal efficiency

11557768.92

Anticipated forward trend

Total water withdrawal efficiency is expected to increase as the company strategy is to dispose of non-core assets and invest in new efficient PRS buildings with increased rental income.

Q9.13 Do any of your products contain substances classified as hazardous by a regulatory authority?

Response 1:

Products contain hazardous substances

No

Comment

Grainger's products are rental homes and do not contain hazardous substances.

Q9.14 Do you classify any of your current products and/or services as low water impact?

Response 1:

Products and/or services classified as low water impact

Yes

Definition used to classify low water impact

Litres per person per day less than 105 litres

Please explain

Grainger adopts the definition used in the Code for Sustainable Homes and in the most advanced building regulations which define best practice for water usage in new homes. New homes are designed to meet this water usage threshold through incorporating high efficiency fixtures such as low volume double flush WCs, aerated shower heads, and efficient white goods.

Q9.15 Do you have any water-related targets?

No, and we do not plan to within the next two years

Q9.15.3 Why do you not have water-related target(s) and what are your plans to develop these in the future?

Response 1:

Primary reason

Important but not an immediate business priority

Please explain

Grainger's direct water withdrawal, consumption and discharge is limited to municipal water supplies and there is only a small amount of water consumed by the organisation. We have not identified water dependencies or substantive water risks. Local sites with water risks have mitigation measures in place.

Q10.1 Do you have plastics-related targets, and if so what type?

Response 1:

Targets in place

No, and we do not plan to within the next two years

Please explain

Grainger's service is provision of rental homes and plastics have not been identified as a material component in the delivery of our service. We have focused our targets on the embodied carbon associated with development of new homes where the key materials are concrete and steel, however there are some plastics components included in building materials and services which are included within the whole life carbon assessments undertaken on our buildings to measure progress towards our embodied carbon targets. Grainger includes plastic waste as a theme within our customer engagement campaign, Living a Greener Life, and provide plastic waste stream recycling at our properties for customers to recycle household plastic waste, but we have not determined plastic waste to be a material environmental impact for Grainger's business.

Q10.2 Indicate whether your organization engages in the following activities.

Response 1: Production/commercialization of plastic polymers (including plastic converters)

Activity applies

No

Comment

Grainger' s service is provision of rental homes and so this is not relevant.

Response 2: Production/commercialization of durable plastic goods and/or components (including mixed materials)

Activity applies

No

Comment

Grainger' s service is provision of rental homes and so this is not relevant.

Response 3: Usage of durable plastics goods and/or components (including mixed materials)

Activity applies

Yes

Comment

Grainger purchases products and materials for the development and operation of our portfolio of residential homes and some of these products contain durable plastics components. To date we have focused on assessing the materials that generate the most significant environmental impact from our buildings (concrete and steel) and so have not measured plastics consumption in detail outside of our whole life carbon assessments undertaken on new developments. We may consider this in the future if plastic is identified to be material.

Response 4: Production/commercialization of plastic packaging

Activity applies

No

Comment

Grainger' s service is provision of rental homes and so this is not relevant.

Response 5: Production/commercialization of goods/products packaged in plastics

Activity applies

No

Comment

Grainger' s service is provision of rental homes and so this is not relevant.

Response 6: Provision/commercialization of services that use plastic packaging (e.g., food services)

Activity applies

No

Comment

Grainger' s service is provision of rental homes and so this is not relevant.

Response 7: Provision of waste management and/or water management services

Activity applies

Yes

Comment

Grainger' s service is provision of rental homes and Grainger offers indirect waste management services by providing waste and recycling areas at our properties. The waste is collected by the local authority through their municipal household waste collection service.

Response 8: Provision of financial products and/or services for plastics-related activities

Activity applies

No

Comment

Grainger' s service is provision of rental homes and so this is not relevant.

Response 9: Other activities not specified

Activity applies

No

Comment

Grainger' s service is provision of rental homes and so this is not relevant.

Q10.4 Provide the total weight of plastic durable goods and durable components produced, sold and/or used, and indicate the raw material content.

Response 1: Durable goods and durable components used

Total weight during the reporting year (Metric tons)

122.67

Raw material content percentages available to report

None

Please explain

The volume has been estimated based on an example assessments of the materials used in two developments and extrapolated to all the developments that completed in the reporting year. No raw material content %s are available as the components purchased are all manufactured products such as membranes and pipework.

Q11.2 What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

Response 1:

Actions taken in the reporting period to progress your biodiversity-related commitments

Yes, we are taking actions to progress our biodiversity-related commitments

Type of action taken to progress biodiversity- related commitments

- Education & awareness
- Land/water management
- Species management
- Land/water protection

Q11.3 Does your organization use biodiversity indicators to monitor performance across its activities?

Response 1:

Does your organization use indicators to monitor biodiversity performance?

Yes, we use indicators

Indicators used to monitor biodiversity performance

State and benefit indicators

Q11.4 Does your organization have activities located in or near to areas important for biodiversity in the reporting year?

Response 1: Legally protected areas

Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Yes

Comment

Grainger has one site located in proximity to a Special Protection Area

Response 2: UNESCO World Heritage sites

Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

No

Comment

Grainger does not currently have any sites located within the area of influence of the UK's UNESCO World Heritage Sites

Response 3: UNESCO Man and the Biosphere Reserves

Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

No

Comment

Grainger does not currently have any sites located within the area of influence of the UK's UNESCO Biosphere Reserves

Response 4: Ramsar sites

Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Yes

Comment

Grainger has one site located within the area of influence of The Solent which is a Ramsar site

Response 5: Key Biodiversity Areas

Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Yes

Comment

Grainger has one site located in proximity to the Thames Basin Heaths which is a Key Biodiversity Area

Response 6: Other areas important for biodiversity

Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Yes

Comment

Grainger has one site located in proximity to a Site of Special Scientific Interest

Q11.4.1 Provide details of your organization's activities in the reporting year located in or near to areas important for biodiversity.

Response 1: Row 1

Types of area important for biodiversity

Legally protected areas

Protected area category (IUCN classification)

Category IV-VI

Country/area

United Kingdom

Name of the area important for biodiversity

Thames Basin Heaths Special Protection Area (SPA)

Proximity

Up to 5 km

Briefly describe your organization's activities in the reporting year located in or near to the selected area

Residential development within 1km and woodland management (secured through the Land Trust) in close proximity.

Indicate whether any of your organization's activities located in or near to the selected area could negatively affect biodiversity

Yes, but mitigation measures have been implemented

Mitigation measures implemented within the selected area

- Restoration
- Abatement controls
- Operational controls

Explain how your organization's activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

Residential development is a major driver of land-use change and can have negative impacts on biodiversity, such as habitat loss or disturbance, ecological displacement and air and water pollution. An ecological management plan was created for Wellesley Woodlands (where this biodiversity-sensitive site is located) with key stakeholder input and mitigation measures have been developed in conjunction with Natural England and Rushmoor Borough Council to reduce any impact on this site to acceptable levels. Examples include reintroducing bends, pools and silt banks to streams, safety work on individual trees to create glades that will improve conditions for regeneration and development of more diverse woodland flora, limiting herbicide use, replacing cover around badger sets and specifying a designated location for fires and ensuring that events requiring a fire are spaced out on a monthly basis to reduce the impact of pollution on the site.

Response 2: Row 2

Types of area important for biodiversity

Other areas important for biodiversity

Country/area

United Kingdom

Name of the area important for biodiversity

Basingstoke Canal SSSI

Proximity

Adjacent

Briefly describe your organization's activities in the reporting year located in or near to the selected area

Residential development

Indicate whether any of your organization's activities located in or near to the selected area could negatively affect biodiversity

Yes, but mitigation measures have been implemented

Mitigation measures implemented within the selected area

- Restoration
- Abatement controls
- Operational controls

Explain how your organization's activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

Residential development is a major driver of land-use change and can have negative impacts on biodiversity, such as habitat loss or disturbance, ecological displacement and air and water pollution. An ecological management plan was created for Wellesley Woodlands (where this biodiversity-sensitive site is located) with key stakeholder input and mitigation measures have been developed in conjunction with Natural England and Rushmoor Borough Council to reduce any impact on this site to acceptable levels. Examples include reintroducing bends, pools and silt banks to streams, safety work on individual trees to create glades that will improve conditions for regeneration and development of more diverse woodland flora, limiting herbicide use, replacing cover around badger sets and specifying a designated location for fires and ensuring that events requiring a fire are spaced out on a monthly basis to reduce the impact of pollution on the site.

Response 3: Row 3

Types of area important for biodiversity

Legally protected areas

Protected area category (IUCN classification)

Category IV-VI

Country/area

United Kingdom

Name of the area important for biodiversity

Portsmouth Harbour SPA and Ramsar, Chichester and Langstone Harbour SPA and Ramsar, Solent Maritime SAC and Solent and Southampton Water SPA/Ramsar

Proximity

Up to 10 km

Briefly describe your organization's activities in the reporting year located in or near to the selected area

Residential development

Indicate whether any of your organization's activities located in or near to the selected area could negatively affect biodiversity

Yes, but mitigation measures have been implemented

Mitigation measures implemented within the selected area

- Operational controls
- Biodiversity offsets

Explain how your organization's activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

All new residential developments within the catchment of rivers that drain into the Solent are required to demonstrate nutrient neutrality which ensures they are not increasing nutrient pollution into the Solent. Grainger has supplied the relevant local authorities with nutrient calculations to demonstrate that the development can achieve nutrient neutrality with appropriate mitigation in place. Nutrient neutrality has been delivered within the scheme through provision of additional green space and the installation of Sustainable Urban Drainage Systems (SUDS) which minimise the nutrients in surface water run-off.

Q13.1 Indicate if any environmental information included in your CDP response (not already reported in 7.9.1/2/3, 8.9.1/2/3/4, and 9.3.2) is verified and/or assured by a third party?

Yes

Q13.1.1 Which data points within your CDP response are verified and/or assured by a third party, and which standards were used?

Response 1: Row 1

Environmental issue for which data has been verified and/or assured

Climate change

Disclosure module and data verified and/or assured

Disclosure of risks and opportunities: Other data point in module 3: Energy Performance Certificate ratings of Grainger's properties

Verification/assurance standard

General standards: ISAE 3000

Further details of the third-party verification/assurance process

Verification is undertaken on the EPC ratings of Grainger's properties (direct operations) to ensure we can link our green loans to our EPC ratings. The verification is undertaken annually and provides limited assurance.

Attach verification/assurance evidence/report (optional)

FINAL Grainger - DNV Assurance Statement (ISSUED 04-DEC-2024).pdf

Q13.3 Provide the following information for the person that has signed off (approved) your CDP response.

Response 1:

Job title

Director of Group Finance

Corresponding job category

Board/Executive board

Q13.4 Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.

No

Question Number	Question	Subquestion	Attachment
Q4.12.1	Provide details on the information published about your organization's response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.	Attach the relevant publication	Grainger EPRA Sustainability Performance Measures 2024.pdf
Q7.53.2	Provide details of your emissions intensity targets and progress made against those targets.	Science Based Targets initiative official validation letter	SBTi Near-Term Approval Letter-Grainger.pdf
Q4.11	In the reporting year, did your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may (positively or negatively) impact the environment?	Attach commitment or position statement	Grainger net zero carbon pathway engagement section.pdf
Q7.9.3	Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.	Attach the statement	Grainger plc GHG Emissions FY24_ Limited Verification Statement V1.0 ISSUED 241122.pdf
Q7.9.3	Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.	Attach the statement	Grainger plc GHG Emissions FY24_ Limited Verification Statement V1.0 ISSUED 241122.pdf
Q13.1.1	Which data points within your CDP response are verified and/or assured by a third party, and which standards were used?	Attach verification/assurance evidence/report (optional)	FINAL Grainger - DNV Assurance Statement (ISSUED 04-DEC-2024).pdf
Q7.9.3	Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.	Attach the statement	Grainger plc GHG Emissions FY24_ Limited Verification Statement V1.0 ISSUED 241122.pdf
Q7.9.2	Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.	Attach the statement	Grainger plc GHG Emissions FY24_ Limited Verification Statement V1.0 ISSUED 241122.pdf
Q7.9.3	Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.	Attach the statement	Grainger plc GHG Emissions FY24_ Limited Verification Statement V1.0 ISSUED 241122.pdf

Question Number	Question	Subquestion	Attachment
Q4.6.1	Provide details of your environmental policies.	Attach the policy	Grainger Environmental Policy 2024.pdf
Q7.9.1	Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.	Attach the statement	Grainger plc GHG Emissions FY24_ Limited Verification Statement V1.0 ISSUED 241122.pdf
Q4.12.1	Provide details on the information published about your organization's response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.	Attach the relevant publication	Grainger_ARA24.pdf
Q7.53.1	Provide details of your absolute emissions targets and progress made against those targets.	Science Based Targets initiative official validation letter	SBTi Near-Term Approval Letter-Grainger.pdf
Q5.2	Does your organization's strategy include a climate transition plan?	Attach any relevant documents which detail your climate transition plan (optional)	Grainger Net Zero Carbon Pathway 23 Final.pdf
Q4.1	Does your organization have a board of directors or an equivalent governing body?	Attach the policy (optional)	Grainger plc - EDI Policy.pdf
Q7.9.2	Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.	Attach the statement	Grainger plc GHG Emissions FY24_ Limited Verification Statement V1.0 ISSUED 241122.pdf