

**EPRA
Sustainability
Performance
Measures
2022**



EPRA Sustainability Performance Measures

This report covers EPRA Sustainability Performance Measures for the period 1st October 2021 - 30th September 2022, based on the third version of the EPRA Sustainability Best Practices Recommendations Guidelines (2017).

The EPRA sBPR compliance tables below provide an overview of the EPRA sustainability performance measures that Grainger is able to report on, and an explanation of where data cannot be reported.

Environmental Sustainability Performance Measures

This year we are able to report on all Sustainability Performance Measures for all portfolios. We are reporting on an operational control approach, in line with our Streamlined Energy and Carbon Report in our Annual Report and Accounts. We are not reporting on any energy or water purchased and consumed by our tenants, as this is outside our Scope 1 and 2 boundaries, and we are unable to access this data due to data protection regulations. However we do report on electricity obtained by our landlord and supplied to us on a non-submetered basis for our London Bridge office and communal heating purchased by Grainger.

Environmental Sustainability Performance Measures compliance table

EPRA Sustainability Performance Measure		Property investment portfolio		Offices	Where measure is reported
		PRS assets	Regulated assets	Own office occupation	Pages
Elec-Abs	Total electricity consumption	✓	✓	✓	7, 9
Elec-LfL	Like-for-like total electricity consumption	✓	✓	✓	7, 9
DH&C-Abs	Total district heating & cooling consumption	✓	N/A	N/A	9
DH&C-LfL	Like-for-like total district heating & cooling consumption	✓	N/A	N/A	9
Fuels-Abs	Total fuel consumption	✓	✓	✓	7, 9
Fuels-LfL	Like-for-like total fuel consumption	✓	✓	✓	7, 9
Energy-Int	Building energy intensity ¹	✓	✓	✓	7, 9
GHG-Dir-Abs	Total direct greenhouse gas (GHG) emissions ²	✓	✓	✓	7,10
GHG-Indir-Abs	Total indirect greenhouse gas (GHG) emissions ³	✓	✓	✓	7,10
GHG-Int	Greenhouse gas (GHG) intensity from building energy consumption ⁴	✓	✓	✓	7,10
Water-Abs	Total water consumption ⁵	✓	✓	✗	12
Water-LfL	Like-for-like total water consumption	✓	✓	N/A	12
Water-Int	Building water intensity ⁶	✓	✓	✗	12
Waste-Abs	Total weight of waste by disposal route ⁷	✓	N/A	✓	13
Waste-LfL	Like-for-like total weight of waste by disposal route	✓	N/A	✓	13
Cert-Tot	Type and number of sustainably certified assets	✓	✓	N/A	14

Key: Fully reported ✓ Partially reported -- Not reported ✗ Not applicable N/A

¹ The intensity measure used for our property investment portfolio is kWh per £m value of assets under management. The intensity measure used for our own occupied offices is kWh per employee.

² Direct GHG emissions include emissions from fuel combustion from our property investment portfolio and our offices.

³ Indirect GHG emissions include Scope 2 GHG emissions from purchased electricity and Scope 3 GHG emissions from transmission and distribution losses associated with purchased electricity and well-to-tank emissions.

⁴ Greenhouse gas intensity from building energy includes Scope 1 and 2 GHG emissions only. The intensity measure used for our property investment portfolio is kg/CO₂e per £m value of assets under management. The intensity metric used for our own occupied offices is kg/CO₂e per employee.

⁵ Water consumption is not gathered for our own offices due to landlord metering arrangements.

⁶ The intensity metric used for our property investment portfolio is m³ per £m value of assets under management.

⁷ Waste generation is only reported where Grainger is responsible for the waste management at the asset, which only applies to a small proportion of the portfolio.

Methodology for Environmental Sustainability Performance Measures

We have reported on all EPRA Sustainability Performance Measures, using the EPRA Best Practices Recommendations on Sustainability Reporting 3rd Version, the main requirements of the GHG Protocol Corporate Standard (revised edition) and emissions factors from the UK Government's Conversion Factors for Company Reporting 2022.

We have used the GHG Protocol's location-based methodology for conversion factors for Scope 2 emissions. Emissions using the market-based methodology are provided in our Streamlined Energy and Carbon Report in our Annual Report and Accounts. Our Scope 3 emissions relate to the transmission and distribution losses from electricity and well-to-tank emissions.

Greenhouse gas emissions are reported as metric tonnes CO2 equivalent (t CO2e) and greenhouse gas intensity is reported as kilogrammes of CO2 equivalent (kg CO2e).

Like-for-like measures include all assets held for the full two-year period from 1st October 2020 - 30th September 2022. Any exclusions from absolute and like for like measures have been reported in the data notes accompanying the EPRA tables.

Full details on our methodology and data coverage for each Sustainability Performance Measure is provided alongside our EPRA tables in this document.

Social and Governance Sustainability Performance Measures

We are able to report on all Social and Governance Performance Measures, covering all Corporate Sustainability Performance Measures and all Assets Sustainability Performance Measures for all portfolios.

Social and Governance Performance Measures compliance table

EPRA Sustainability Performance Measure	Corporate	Assets			Where measure is reported
		PRS assets	Regulated assets	Own office occupation	Pages
SOCIAL PERFORMANCE MEASURES					
Diversity-Emp Employee gender diversity	✓	N/A	N/A	N/A	15
Diversity-Pay Gender pay ratio ⁸	✓	N/A	N/A	N/A	15
Emp-Training Employee training and development	✓	N/A	N/A	N/A	16
Emp-Dev Employee performance appraisals	✓	N/A	N/A	N/A	16
Emp-Turnover New hires and turnover	✓	N/A	N/A	N/A	16
H&S-Emp Employee health and safety	✓	N/A	N/A	N/A	17
H&S-Asset Asset health and safety assessments	N/A	✓	✓	✓	17
H&S-Comp Asset health and safety compliance	N/A	✓	✓	✓	17
Comty-Eng Community engagement, impact assessments and development programs ⁹	N/A	✓	✓	✓	18
GOVERNANCE PERFORMANCE MEASURES					
Gov-Board Composition of the highest governance body	✓	N/A	N/A	N/A	19
Gov-Selec Process for nominating and selecting the highest governance body	✓	N/A	N/A	N/A	19
Gov-Col Process for managing conflicts of interest	✓	N/A	N/A	N/A	20

Key:	Fully reported	✓	Partially reported	--	Not reported	✗	Not applicable	N/A
-------------	----------------	---	--------------------	----	--------------	---	----------------	-----

⁸ We have reported on Diversity-Pay in alignment with our voluntary gender pay gap reporting to the UK Government, which uses data as at the 5th April each year. The data provided is the most recently published data, for the 5th April 2021 and reported in April 2022.

⁹ Grainger has a corporate level community programme which is applied to all assets under management. In addition, larger assets and developments have asset-specific community programmes and details of these are provided in this document.

Overarching Recommendations

Organisational boundary

We have used the Operational Control boundary approach for all Sustainability Performance Measures. This includes all real estate assets owned or managed by Grainger plc, with a market value of £3,056 million. We include assets owned within a Joint Venture which are within Grainger's operational control. Data is reported for our property investment portfolio and separately for our own occupied offices.

Coverage

Where we are not able to include 100% of all assets within our operational control in our reporting for a Sustainability Performance Measure, we have specified the level of data coverage, using number of properties and number of meters for environmental performance measures. We are not able to specify coverage using floor areas as these are not routinely available for common parts areas of residential properties.

Estimation of landlord-obtained utility consumption

Where data for Grainger-obtained utility consumption is missing or unreliable, we have used the following estimation methodology to fill gaps following periods of known consumption:

1. the daily average of available data (requiring a minimum of 90 days) from the current calendar year is used; or
2. the daily average of available data (requiring a minimum of 90 days) from the previous calendar year is used; or
3. where insufficient previous data was available, we have excluded the property from reporting.

We have disclosed the proportion of total disclosed data that is estimated in each of the tables reported below for each Performance Measure.

The proportion of data that was estimated in 2021 was higher than typically required, due to the impact of the Covid-19 pandemic which prevented site visits being undertaken to obtain actual meter readings and in 2022 we have addressed this and reduced the amount of estimation required.

Third party assurance

EcoAct, an Atos Company has analysed and verified the data reported in the Environmental Sustainability Performance Measures.

Boundaries – reporting on landlord and tenant consumption

Grainger only reports on landlord-obtained energy, water and waste consumption, and includes electricity provided by our landlord on a non-submetered basis for our London Bridge office. Data on tenant consumption is not available due to data privacy requirements, however we report estimated tenant carbon dioxide emissions in our Streamlined Energy and Carbon Report in our Annual Report and Accounts and have commenced a project to measure actual customer energy data in a GDPR compliant manner in 2022, with plans to report on our progress in 2023.

Normalisation

The denominators used are £m value of assets under management for our property investment portfolio and number of employees for our own offices. These intensity metrics have been chosen to align with what we report in the strategic report in our Annual Report. Floor area is not routinely recorded for common parts areas of UK residential properties and is not available to use for normalisation.

Segmental analysis

For asset-level performance measures, to align with our financial reporting, we report our performance segmented by our two property portfolio types (Private Rented Sector - PRS portfolio and Regulated tenancy - Regulated portfolio).

Disclosure on own offices

Disclosure on performance for our office occupation is reported separately. Grainger has five offices, two multi-occupied offices where Grainger is a tenant and three where it is the landlord. Grainger-obtained energy and energy sub-metered to Grainger by its landlord is included. For one office (London Bridge), data on energy obtained by the landlord and provided to Grainger on a non-submetered basis is available and has been reported.

Narrative on performance

Where appropriate, we have provided narrative on our performance alongside the relevant performance measure in this document.

Reporting period

Where data is available, performance measures have been reported for the two most recent years:

2022: 1st October 2021 - 30th September 2022

2021: 1st October 2020 - 30th September 2021

Restatements

We have recalculated all 2021 energy data to improve the accuracy of reporting, taking into account data received in 2022 for consumption that took place in 2021.

Materiality

Grainger has identified the following as our most material issues, based on extensive sustainability materiality reviews:

Material issue	Explanation of why issue is material	Grainger's position on the issue
Energy, carbon & climate change	Energy, carbon and climate change is consistently stated as one of the priority ESG issues for Grainger's investors and is a priority area for national and local regulation affecting development, existing buildings and corporate reporting, with expected future increases in compliance costs and taxes. Although environmental issues are not currently key drivers of resident decision-making, our customer research identified the most material ESG concern is energy costs.	Grainger is committed to supporting the UK's transition to a net zero carbon economy and has set out a commitment to 'Achieve net zero carbon for the operation of our buildings by 2030.'
Community engagement	Community engagement is important to customers and is a driver for customer retention. It is a growing area of interest for Grainger's investors. Grainger has always had a strong social purpose and giving back to the communities where we operate is particularly important to our employees.	Grainger is investing in our communities for the long-term, and we believe that creating thriving communities within and around our assets helps our residents put down roots in an area, driving engagement and integration between our residents and other local stakeholders which supports resident retention. Grainger has a long-term commitment to 'Measure and deliver positive social value contribution to our customers and local communities' by 2025.
Diversity & Inclusion	Diversity is an important ESG issue for Grainger's investors and our employees. Grainger's customer base is very diverse and inclusion is becoming a much more important focus for our customer base. We believe considering diversity and inclusion in how we operate our buildings is key to Grainger's approach as a responsible landlord.	Grainger believes a diverse workforce is critical to delivering the best customer service to our diverse customer base. It ensures we have the workforce in place to deliver our strategy and is an important factor in attracting and retaining talent. It also supports resident attraction and retention. Grainger has a long-term commitment to 'Ensure Grainger's workforce is reflective of society' by 2025.

Other material issues rated highly are Waste and resource management, Resident and employee health, safety and wellbeing, Affordable housing and Corporate governance.

Our materiality reviews include peer review and benchmarking, political and legislative analysis, and stakeholder engagement, with employees, investors, customers and suppliers. Our most recent review found that most sustainability issues covered by the EPRA Sustainability Performance Measures are highly material to the organisation. In particular, energy, waste, diversity and community engagement are priority material issues for Grainger's sustainability strategy. Water has not been identified as material and landlord-obtained water consumption is minimal, however we are required to measure and report this data for other benchmarks and so have included this data within our EPRA Sustainability Report.

Environmental Performance Measures

Absolute Energy, Building Energy Intensity, GHG Emissions and GHG Intensity for Own Office Occupation

		2021				2022				Absolute trend	Like-for-like trend	
		Absolute Consumption	Coverage of applicable meters	Like-for-like consumption	Coverage of applicable meters	Absolute Consumption	Coverage of applicable meters	Like-for-like consumption	Coverage of applicable meters			
Elec-Abs, Elec-LfL	Own Office Occupation	Total electricity submetered to Grainger by its landlord	381,120	14 of 14	379,959	13 of 13	352,039	13 of 13	352,039	13 of 13	-8%	-7%
		Total electricity provided (on a non-submetered basis) to Grainger by its landlord	125,692	3 of 3	125,692	3 of 3	119,772	3 of 3	119,772	3 of 3	-5%	-5%
		Proportion of electricity from renewable sources	35%	-	36%	-	59%	-	59%	-	-	-
Fuels-Abs, Fuels-LfL	Own Office Occupation	Total energy consumption from fuels submetered to Grainger by its landlord	221,264	2 of 2	221,264	2 of 2	208,241	2 of 2	208,241	2 of 2	-6%	-6%
		Proportion of fuels from renewable sources	0%	-	0%	-	1%	-	1%	-	-	-
Energy - Int		Building Energy Intensity for all energy submetered to Grainger by its landlord (kWh per employee per year)	1,871	19 of 19	1,867	18 of 18	1,638	18 of 18	1,638	18 of 18	-12%	-12%
Estimation		% of energy and associated GHG estimated	2.4%	-	2.4%	-	10%	-	10%	-	-	-

		2021		2022		Absolute trend	
		Absolute Consumption	Coverage of applicable meters	Absolute Consumption	Coverage of applicable meters		
GHG-Dir-Abs	Own Office Occupation	Total direct GHG emissions (GHG Protocol Scope 1)	40	2 of 2	32	2 of 2	-19%
GHG-Indir-Abs		Total indirect GHG emissions (GHG Protocol Scope 2)	81	14 of 14	68	13 of 13	-16%
		Total indirect GHG emissions (GHG Protocol Scope 3)	74	19 of 19	62	18 of 18	-16%
GHG-Int		Building GHG Intensity (GHG Protocol Scopes 1 and 2) (kg CO2e per employee per year)	375	-	293	-	-22%

Data coverage notes for office occupation:

Absolute and like-for-like energy and GHG emissions: All of Grainger's occupied offices have been included in the absolute energy and GHG figures reported. Grainger's Altrincham office closed at the start of the 2021 reporting year. This office has been excluded from the like-for-like figures. Grainger's Newcastle office was only partially occupied over the 2022 reporting period due to a major refurbishment and a temporary office was in use but energy data was not available for this period. Electricity obtained by the landlord but consumed by Grainger on a non-submetered basis at its London Bridge office is reported however this data is not available for the other office where Grainger's landlord procures energy for central plant. This data is not reported within the scope 3 emissions which relate to electricity transmission and distribution including well-to-tank emissions. 10% of energy and associated GHG emissions have been estimated this year. In addition, the recalculation of 2021 emissions has reduced the proportion of estimation from 5% to 2.4%, as actual data has become available.

Energy and GHG intensity: All of Grainger's occupied offices have been included in the intensity figures reported. The intensity figures relate to energy obtained by Grainger where it is the landlord and obtained by Grainger's landlords on a sub-metered basis. The intensity figure excludes Scope 3 emissions from Well-to-Tank (WTT) or Transmission and Distribution (T&D).

Narrative on performance:

Absolute and like-for-like energy and GHG emissions:

Electricity - Total consumption of electricity purchased by Grainger where it is the landlord and sub-metered to Grainger by its landlords has reduced. Our Newcastle office has undergone major refurbishment works which were completed in May 2022, which have resulted in significant reductions in electricity consumption since completion. Scope 2 emissions have decreased by 16% from the previous year - due to a combination of reduced electricity consumption and the reduction in the BEIS location-based electricity emissions factor between 2021 and 2022, reflecting grid greening within the UK.

Fuel - Total fuel use has decreased by 6%. This is likely due to the average temperatures within the UK being higher during the period October 2021 - September 2022, during which there were 9.4 fewer heating degree-days compared to the same period in 2020-21. Emissions associated with fuel consumption have decreased by 19%. The reason for this additional reduction compared to consumption is the change of energy provider at the Aldershot office to a green-gas provider.

Like-for-like performance follows a similar trend as absolute performance due to all the large occupied offices being included in the analysis.

Scope 3 - Emissions from WTT and T&D have decreased by 16% year on year. This is primarily due to decreases in electricity and fuel consumption, whilst also being caused by a reduction in the WTT factor for UK Electricity in 2022 compared to 2021.

Energy and GHG emissions intensity: GHG emissions intensity per employee has decreased by 22% between 2021 and 2022 due to the combination of Scope 1,2 and 3 emissions reductions detailed above, whilst number of employees has also increased during this period.

Absolute and Like-for-like Energy, Building Energy Intensity, GHG Emissions and GHG Intensity for owned assets by portfolio

We report on Grainger-obtained electricity, fuel and water consumption for applicable properties with common areas; the proportion of estimation and exclusions due to missing data are listed in detail below. Grainger does not report on energy or water purchased and consumed by tenants as we are not able to obtain this due to privacy laws. All annual consumption is reported as the portfolio stood at year end for the period from 1 October 2021 to 30 September 2022.

Absolute and like-for-like energy and Building Energy Intensity for owned assets (kWh)			2021				2022				Absolute trend	Like-for-like trend	
			Absolute Consumption	Coverage of applicable meters	Like-for-like consumption	Coverage of applicable meters	Absolute Consumption	Coverage of applicable meters	Like-for-like consumption	Coverage of applicable meters			
Elec-Abs, Elec-LfL	PRS	Grainger obtained electricity	3,175,415	272 of 272	2,653,456	184 of 184	3,633,905	286 of 286	2,618,524	184 of 184	14%	-1.3%	
		Proportion of electricity from renewable sources	69%	-	72%	-	81%	-	87%	-			
		% of electricity estimated	11%	-	10%	-	10%	-	10%	-			
DH&C-Abs, DH&C-LfL		Grainger obtained District Heat	26,286	2 of 2	26,286	2 of 2	17,649	2 of 2	17,649	2 of 2	-33%	-33%	
		Proportion of district heat from renewable sources	n/a		n/a		n/a		n/a				
		% of district heat estimated	0%		0%		0%		0%				
Fuels-Abs, Fuels-LfL		Total energy consumption from Grainger obtained fuels (natural gas and biomass)	2,629,047	11 of 11	2,241,592	8 of 8	3,339,445	10 of 11	2,242,796	8 of 8	27%	0.1%	
		Proportion of fuels from renewable sources	36%	-	42%	-	50%	-	59%	-			
		% of fuels estimated	0%	-	0%	-	0%	-	0%	-			
Elec-Abs, Elec-LfL		Regulated	Grainger obtained electricity	1,154,715	164 of 164	580,986	98 of 98	959,191	165 of 165	523,709	98 of 98	-17%	-10%
			Proportion of electricity from renewable sources	96%	-	93%	-	81%	-	68%	-		
			% of electricity estimated	22%	-	11%	-	11%	-	10%	-		
Fuels-Abs, Fuels-LfL	Total energy consumption from Grainger obtained fuels (natural gas and biomass)		4,054,187	8 of 8	1,008,542	4 of 4	2,474,461	8 of 8	899,955	4 of 4	-39%	-11%	
	Proportion of fuels from renewable sources		0%	-	0%	-	12%	-	12%	-			
	% of fuels estimated		31%	-	0%	-	0%	-	0%	-			
Elec-Abs, Elec-LfL	Grand Total		Grainger obtained electricity	4,330,130	436 of 436	3,234,441	282 of 282	4,593,096	451 of 451	3,142,233	282 of 282	6.1%	-2.9%
			Proportion of electricity from renewable sources	76%	-	76%	-	81%	-	84%	-		
			% of electricity estimated	14%	-	10%	-	10%	-	10%	-		
Fuels-Abs, Fuels-LfL			Total energy consumption from Grainger obtained fuels (natural gas and biomass)	6,683,233	19 of 19	3,250,135	12 of 12	5,813,905	18 of 19	3,142,751	12 of 12	-13%	-3.3%
			Proportion of fuels from renewable sources	14%	-	29%	-	34%	-	46%	-		
			% of fuels estimated	19%	-	0%	-	0%	-	0%	-		
Energy - Int		Energy Intensity	Building Energy Intensity for all Grainger-obtained building energy kWh per £m value of assets under management / year	3,686	-	-	-	3,385	-	-	-	-8.2%	-

Absolute GHG emissions and GHG intensity for owned assets (tonnes CO2e)			2021		2022		Absolute trend
			Absolute Consumption	Coverage of applicable meters	Absolute Consumption	Coverage of applicable meters	
GHG-Dir-Abs	PRS	Total direct GHG emissions (GHG Protocol Scope 1)	317	11 of 11	309	10 of 11	-3%
GHG-Indir-Abs		Total indirect GHG emissions (GHG Protocol Scope 2)	679	274 of 274	706	288 of 288	4%
		Total indirect GHG emissions (GHG Protocol Scope 3)	339	285 of 285	356	298 of 299	5%
GHG-Dir-Abs	Regulated	Total direct GHG emissions (GHG Protocol Scope 1)	732	8 of 8	390	8 of 8	-47%
GHG-Indir-Abs		Total indirect GHG emissions (GHG Protocol Scope 2)	245	164 of 164	185	165 of 165	-24%
		Total indirect GHG emissions (GHG Protocol Scope 3)	216	172 of 172	141	173 of 173	-35%
GHG-Dir-Abs	Grand Total	Total direct GHG emissions (GHG Protocol Scope 1)	1,050	19 of 19	699	18 of 19	-33%
GHG-Indir-Abs		Total indirect GHG emissions (GHG Protocol Scope 2)	924	438 of 438	891	453 of 453	-4%
		Total indirect GHG emissions (GHG Protocol Scope 3)	556	457 of 457	496	471 of 472	-11%
Estimation		% of GHG estimated	16%	-	6%	-	-
GHG-Int	Grand Total	GHG intensity for all Grainger obtained building energy (Scopes 1 and 2) kg Co2e per £m value of assets under management / year	647	-	516	-	-20%

Data coverage notes for owned assets:

Absolute energy and Scope 1 and 2 GHG emissions:

Fuel - We have been able to report fuels and scope 1 GHG emissions for 18 out of 19 meters for which we purchase fuels. One site was missing due to issues being able to access the meter prior to the property being sold.

District Heating - We have been able to report district heating - and associated scope 2 GHG emissions - for the 1 property (2 meters) for which we procure district heating.

Electricity - We have been able to report electricity and scope 2 GHG emissions data for every property, across 453 meters. Scope 2 is presented here as location-based emissions.

Due to acquisitions, we are reporting on more higher consuming PRS assets with larger communal areas and in some cases communal heating. Some of these were acquired or were leasing up to full occupation during the reporting period.

Like-for-like energy: We have been able to report like-for-like energy performance for all applicable properties which have been owned and operated by Grainger for the complete 24 month period analysed.

Absolute scope 3 emissions: Scope 3 emissions relate to transmission and distribution losses and well-to-tank emissions associated with Grainger's purchased electricity. Tenant consumption and emissions are not accounted for here but are estimated and reported in the Streamlined Energy and Carbon Report in Grainger's [Annual Report & Accounts](#) (see page 104).

Narrative on performance:

Absolute energy:

PRS - Total Grainger obtained electricity for PRS properties has increased by 14%. This is primarily due to acquisitions (7 additional sites) and increased occupation of new Build-to-Rent properties which have larger common parts and consume more energy. The proportion of renewable electricity purchased further increased this year to 81% as more properties were transferred onto Grainger's central renewable electricity contract. Grainger obtained fuel consumption for PRS properties has increased by 27% in absolute terms, again likely due to acquisitions as the like-for-like figure has stayed consistent. In addition the use of district heating has decreased by 33%, most likely due to the higher average temperature across the year.

Regulated - Grainger obtained electricity for regulated properties has reduced by 17%, which is partially due to renovations on some properties and also due to the change in the portfolio meaning that some less efficient properties have been sold. Fuels obtained by Grainger for regulated properties has also reduced significantly, by 39%. Again this is partially due to efficiency improvements, but additionally due to the 2022 period being hotter on average than the previous year, resulting in reduced gas consumption for heating.

Absolute GHG emissions: Grainger's Scope 1 GHG emissions have significantly decreased this year, by 33%. This is due to a shift towards a central biogas contract, replacing the previous natural gas supply, coupled with an overall reduction in natural gas consumption. Grainger's Scope 2 emissions have slightly decreased by 4%, primarily due to the reduction in grid emissions intensity in the UK. Scope 3 emissions have decreased overall by 11%, due to a combination of reduced consumptions and lower WTT /T&D emission factors compared to the previous year.

Like-for-like energy: This comparison shows that energy consumption has slightly reduced year on year for properties that were active across both reporting periods, with a slight decrease of 2.9% in electricity consumption and a decrease of 3.3% in fuel consumption. This is reflective of energy efficiency activities that were run across a selection of PRS and Regulated properties.

Energy and GHG emissions intensity: We have used the market value of assets under management as our main intensity Performance Measure as this is also what we use to measure our business efficiency KPI as reported in our Strategic report. Grainger's energy and GHG intensity has decreased by 20%.

Absolute and like-for-like water consumption and Building Water Intensity for owned assets by portfolio

Absolute and like-for-like water for owned assets		2021				2022				Absolute trend	Like-for-like trend
		Absolute Consumption	Coverage of applicable properties	Like-for-like consumption	Coverage of applicable properties	Absolute Consumption	Coverage of applicable meters	Like-for-like consumption	Coverage of applicable meters		
Water (m3)	PRS	5,180	31 of 31	5,160	29 of 29	12,824	31 of 31	12,824	29 of 29	148%	149%
	Regulated	488	2 of 2	488	2 of 2	672	2 of 2	672	2 of 2	38%	38%
	Grand Total	5,668	33 of 33	5,648	31 of 31	13,495	33 of 33	13,495	31 of 31	138%	139%
	% of water estimated	27%	-	27%	-	9%	-	9%	-	-	-
Water intensity (m3)	Water intensity (m3)	1.89	33 of 33	1.89	31 of 31	4.38	33 of 33	4.38	31 of 31	132%	132%

Data coverage notes for owned assets:

Absolute water: We have been able to report water usage for all properties for which we purchase water.

Like-for-like water: One property was sold in 2021 and is therefore excluded from like-for-like reporting.

Narrative on performance:

Absolute and like-for-like water: All water is municipal potable water discharged from taps in the communal areas of Grainger properties. There is minimal landlord obtained water across Grainger's portfolio and as the business does not operate in water-stressed locations, water consumption is not considered material. Despite this, Grainger have undertaken steps to identify and bring more meters within the reporting scope. As such, Grainger has reported this year on 31 meters across both years (compared to 2 meters in the previous EPRA Disclosure). Total Grainger obtained water has increased during this period. This is primarily due to the number of new meters added to reporting, where historical data was only partially available for the 2021 reporting year. Grainger expects that overall water consumption should increase as more meters are brought into scope, however, should then stabilise with more consistent reporting of meters allowing meaningful comparison between 2 years.

Water intensity: We have used the market value of assets under management as our main intensity Performance Measure as this is also what we use to measure our business efficiency KPI as reported in our Strategic report. Grainger's water intensity has increased over the 2 years, however, as stated this is primarily due to the number of additional meters being brought into the reporting scope.

Total weight of waste by disposal route and like-for-like total weight of waste by disposal route for office occupation and owned assets

Total weight of waste by disposal route and like-for-like total weight of waste by disposal route for owned		2021				2022				Absolute trend	Like-for-like trend	
		Absolute tonnes	Abs Proportion	Like-for-like tonnes	LfL proportion	Absolute tonnes	Abs Proportion	Like-for-like tonnes	LfL proportion			
PRS	Total	750		730		889		730		19%	0%	
	Recycled	369	49%	364	49%	405	46%	364	50%	10%	0%	
	Incineration (with and without energy recovery)	278	37%	268	36%	377	42%	268	37%	36%	0%	
	Landfill (non hazardous)	103	14%	98	13%	107	12%	98	13%	4%	0%	
	Hazardous Waste Treatment Facility	-	-	-	-	-	-	-	-	-	-	-
	% of waste estimated	100%		100%		86%		86%		-	-	
	Coverage of applicable properties	11 of 12		10 of 10		12 of 13		10 of 10				
Grand total	Total	750		730		889		730		19%	0%	
	Recycled	369	49%	364	49%	405	46%	364	50%	10%	0%	
	Incineration (with and without energy recovery)	278	37%	268	36%	377	42%	268	37%	36%	0%	
	Landfill (non hazardous)	103	14%	98	13%	107	12%	98	13%	4%	0%	
	Hazardous Waste Treatment Facility	-	-	-	-	-	-	-	-	-	-	
	% of waste estimated	100%		100%		86%		86%		-	-	
	Coverage of applicable properties	11 of 12		10 of 10		12 of 13		10 of 10				
Own office occupation	Total	28		28		53		53		88%	88%	
	Recycled	9.3	33%	9	33%	16	30%	16	30%	68%	68%	
	Incineration (with and without energy recovery)	19	66%	19	66%	37	70%	37	70%	99%	99%	
	Landfill (non hazardous)	0.1	0%	0.1	0%	0.1	0%	0.1	0%	0%	0%	
	Hazardous Waste Treatment Facility	-	-	-	-	-	-	-	-	-	-	
	% of waste estimated	0.6%		0.6%		0.1%		0.1%		-	-	
	Coverage of applicable properties	2 of 5		2 of 5		2 of 5		2 of 5				

Data coverage notes for owned assets:

Absolute and like-for-like waste: Waste data is gathered for all properties in the portfolio where Grainger has waste management contracts in place, excluding Bethnal Green where it was not possible to obtain the necessary information to calculate weights. Two properties were acquired within the two-year reporting period and so both have been excluded from like-for-like reporting. Actual weight information was available for one property (The Forge). Where direct weights are not available, waste weight in metric tonnes is calculated from bin volume in litres using the WRAP waste conversion factor for mixed municipal waste, rather than actual weight measurements at each property. Proportion of waste by disposal route is based on statistics for each applicable waste management contractor as a whole and is not specific to Grainger properties. Waste data from 1 property (The Forge) was unavailable last year due to acquisition mid-year and so data could not be reported for 2021.

Data coverage notes for occupied offices:

Absolute and like-for-like waste: Data was not available for the Birmingham, Salford and Aldershot office, which have been excluded from absolute and like-for-like reporting. There were only a small number of employees based in these offices, and so waste generated is expected to be immaterial. For the Newcastle office, due to renovations during the reporting period, data collection on waste was not possible - in this case waste data from the previous year was used as a proxy.

Narrative on performance:

Owned Assets - Waste consumption increased marginally from 2021 to 2022 due to the addition of one property (The Forge) to the waste data. Like for like reporting has been consistent between years based on the calculation methodology.

Offices - Waste consumption increased this year, primarily due to waste generated at the London Office. This reporting period has been the first year unaffected by lockdowns since the covid 19 pandemic. As a result, office spaces experienced higher occupation this year and so waste generated is more reflective of pre-covid levels.

Type and number of sustainably certified assets

Cert-Tot (Type and number of sustainably certified assets)

Type of certification		Name of certification		2021						2022					
				PRS			Regulated			PRS			Regulated		
				Number of certified properties	Percentage of UK units certified	Coverage of applicable properties	Number of certified properties	Percentage of UK units certified	Coverage of applicable properties	Number of certified properties	Percentage of UK units certified	Coverage of applicable properties	Number of certified properties	Percentage of UK units certified	Coverage of applicable properties
Mandatory certifications	EU energy performance certificate	6,757	100%	6,757 of 6,764	2,061	98%	2,061 of 2,100	8,861	100%	8,861 of 8,899	1,684	98%	1,684 of 1,716		
Voluntary certifications	Code for Sustainable Homes Level 3 / 4	338	5%	338 of 1483	-	-	0 of 0	338	4%	338 of 746	-	-	0 of 0		
Voluntary certifications	BREEAM Domestic Refurbishment Outstanding	192	3%	192 of 192	-	-	0 of 0	192	3%	192 of 192	-	-	0 of 0		

Data coverage notes

Mandatory certifications are EU energy performance certificates, which are not mandatory for all of Grainger's properties because they are only mandatory for buildings which are marketed or sold, or those that have been recently constructed. Coverage of certificates for Grainger's portfolio has increased significantly due to a strategy to increase coverage of certifications prior to the application of Minimum Energy Efficiency Standards from 2020 (although it should be noted that these Regulations do not apply to a significant proportion of Grainger's properties including most regulated tenancies).

Voluntary certifications include Code for Sustainable Homes certifications for PRS properties developed and retained by Grainger. This certification was abolished in 2015, and so it is now unlikely that any newly completed developments will have attained certification. The voluntary certifications figure for Code for Sustainable Homes includes Code level 4 certifications for PRS assets Abbeville Apartments and Argo Apartments, and Code level 3 certifications for units at Grainger's Berewood development which completed between 2017 and 2019. We have also included our Tribe Apartments acquisition which was refurbished to BREEAM Outstanding. All new developments completed in 2021 and 2022 were not eligible to achieve Code for Sustainable Homes. All regulated tenancy properties were built prior to sustainability certifications coming into existence and these are therefore not applicable to this portfolio.

Social Performance Measures

Employee gender diversity

Employee Gender Diversity

Impact Area	EPRA Code	Units of measure	Indicator	2021		2022	
				Female	Male	Female	Male
Employee gender diversity	Diversity-Emp	% of male & female employees	Employees in the organisation's Board of Directors	29%	71%	42%	58%
			Employees in the organisation's senior management	20%	80%	24%	76%
			All employees	55%	45%	55%	45%

Narrative on performance:

Grainger believes that a diverse perspective is key to success, and supports the aspiration of the Hampton Alexander Review to promote greater female representation on listed-company boards and in senior leadership teams. A new female Non-Executive Director joined the Board on the first day of the 2022 financial year and our representation has remained at 43%.

Grainger considers diversity to be much wider than just gender, and also aligns to the recommendations of the Parker review to increase the ethnic diversity of listed company boards, in addition to considering how we can promote diversity and inclusion in all its forms within our workforce. The Board has now met the Parker review recommendation stating that each FTSE 250 board should have at least one director of colour by 2024. The responsibility for diversity and inclusion across Grainger's wider employee basis is now within the remit of the Responsible Business Committee which was formed in 2022. More information can be found on pages 76 and 77 of the 2022 Annual Report.

Gender pay ratio

Gender Pay Ratio

Impact Area	EPRA Code	Units of measure	2021	2022	
Employee gender pay gap	Diversity-Pay	% gender pay gap	Mean (average) percentage by which female pay is lower than male pay	40.1%	37.6%
			Median (average) percentage by which female pay is lower than male pay	40.3%	34.5%

Narrative on performance:

For all employees of Grainger Employees Limited, Grainger reports its gender pay gap in alignment with its voluntary reporting to the UK Government, and discloses the mean and median percentage pay gap between female and male pay. There is no breakdown by employee category available and for Board members this is not applicable.

In 2022, Grainger reported a reduction in the business's mean and median gender pay gap. We recognise that closing the gap is a long-term commitment and our figures will fluctuate both positively and negatively over time while we implement our action plans. We are a relatively small company and the loss of a senior female employee or gain of a senior male employee can have a significant impact on our figures. Our action plan to reduce our gender pay gap is available on Grainger's website at: <https://corporate.graingerplc.co.uk/people-and-careers/gender-pay-gap>.

Employee training and development and Employee performance appraisals

Employee Training, Development and Performance

Impact Area	EPRA Code	Units of measure	Indicator	2021	2022
Employee training and development	Emp-Training	Average number of hours	Average hours of training undertaken by employees in the reporting period	16.27 hours	21.55 hours
Employee performance appraisals	Emp-Dev	% of total workforce	% of total employees who received regular performance and career development reviews during the reporting period	100%	100%

Narrative on performance:

Participation in the company's learning and development programme remained high with a significant increase in the number of hours of training undertaken by each employee between 2021 and 2022. Employee training occurred both in person and virtually and included formal leadership development training programmes, such as the company's Future Leaders Programme, digital compliance training and role specific learning hours. Additionally, customer service training has been rolled out to all Grainger employees.

We continued to maintain 100% of employees receiving performance appraisals.

New hires and turnover

Employee Turnover and Retention

Impact Area	EPRA Code	Units of measure	Indicator	2021		2022	
				Number	Rate	Number	Rate
Employee turnover and retention	Emp-Turnover	Total number and rate	New employee hires	56	17%	47	14%
			Employee turnover	39	13%	75	24%

Narrative on performance:

We recruited a number of new people into the business during the year, both in our main offices as well as for on-site roles. Turnover remained low relative to other organisations in the sector, which is likely due to our talent identification process and succession plans for key colleagues, our leadership and development programmes, the regular reviews of our benefit structure that we take against the external market to ensure we remain competitive and our 'Very Good' rating in our annual employee engagement survey, run by Best Companies.

Employee health and safety

Employee Health & Safety

Impact Area	EPRA Code	Units of measure	Indicator		
				2021	2022
Employee health and safety	H&S-Emp	Per 100,000 hours worked	Injury rate	0.00	0.00
			Lost day rate	0.00	0.00
		Days per employee	Absentee rate	0.86	1.87
		Total number	Fatalities	0	0

Narrative on performance:

Grainger has specific internal control and management systems to mitigate health and safety risk, including technological solutions and a programme of audit and assurance. We continued to offer bespoke behavioural health and safety training which is being provided to all Grainger employees. All staff undertake a Safety Climate survey biannually which helps us to benchmark our performance on embedding health and safety into our organisational culture; this performance has remained consistently good.

We maintained our record of no RIDDOR reportable health and safety incidents for employees. The absentee rate increased by 1% between 2021 and 2022, which was likely influenced by the promotion of office working post the Covid-19 pandemic and the introduction of a company hybrid working policy.

Asset health and safety assessments and compliance

Asset Health & Safety Assessments and Compliance

				PRS		Regulated	
				2021	2022	2021	2022
Asset health and safety assessments	H&S-Assets	% of assets	% of assets for which H&S impacts are assessed or reviewed	100%	100%	100%	100%
Asset health and safety compliance	H&S-Comp	Total number	Number of incidents of non-compliance with regulations and/or voluntary standards	0	0	0	0

Narrative on performance:

Health and Safety risk assessments are conducted at all assets and Grainger complies fully with all health and safety regulations. The organisation has not identified any non-compliance with regulations and/or voluntary codes. We undertake comprehensive due diligence for new acquisitions, with health and safety considerations embedded in the investment process model. We have a detailed specification for enhanced fire standards and take a proactive risk-based approach to understanding materials specification, ensuring that we take on board the findings of the Hackitt Review. We ensure detailed risk assessments are carried out on properties prior to occupation and take a proactive approach to fire safety throughout the operation of our buildings.

Our Live.Safe Health & Safety programme ensures health and safety compliance is integrated into all areas of Grainger's operations and our comprehensive Health and Safety Management System (aligned to ISO standards) combines policies and procedures with a programme of specific training for every Grainger employee. In 2022, we continued to use the streamlined accident reporting procedure and incident system embedded in our technology transformation programme. Post the Covid-19 pandemic, customer safety is still one of top priorities and we maintain regular thorough and robust risk assessments of each of our offices and our Build-to-Rent sites which are regularly reviewed and updated.

Community engagement, impact assessments and development programmes

Community Engagement, Impact Assessments and Development Programmes

				PRS		Regulated	
				2021	2022	2021	2022
Asset community engagement programmes	Comty-Eng	% of assets	% of assets under operational control that have implemented local community engagement, impact assessments, and/or development programmes	100%	100%	100%	100%

Narrative on performance:

Grainger has a corporate community programme that applies across all activities. This includes a community investment programme with two charity partnerships aligned to Grainger's two portfolios - LandAid and Age UK. In 2022, our total community investment was over £50,000. This year we were pleased to reintroduce in-person volunteering and charitable activities and to continue our involvement in the Education Engagement Partnership with Transport for London which in its first year has delivered 16 events, supporting 915 students. Grainger was also proud to donate homes for a year to six Ukrainian refugee families in Grainger Trust's Poppy Apartments, Millet Place, worth over £150,000. A further highlight from the year was the LandAid SleepOut event where a dozen colleagues slept outside on a cold March night, raising £8,000 to help end youth homelessness.

Community engagement activities are undertaken on key assets and development sites where we have operational control and we undertake community engagement through a variety of means including focus groups, organised events, online consultation platforms, regular newsletters and direct communications with local stakeholders. This year we undertook a pilot assessment to understand the typical social impact created by Grainger's build-to-rent homes, using Brook Place in Sheffield as an example. At Brook Place, the onsite Resident Services Team are focused on creating a thriving community for our residents, with a range of events including charity coffee mornings, cooking competitions and holiday celebrations. The team have sought to build strong relationships with local charities and the local business community, and this is demonstrated in the spend Grainger's residents have contributed to the local area, with additional footfall contributing to an estimated additional annual spend of £338,000. Our residents feedback is also taken on board in the building's design and operation, and we recently introduced a community garden in response to a residents survey.

All our community initiatives are based on an assessment of the local communities' needs and we conduct social and environmental impact assessments for planning purposes. We provide grievance processes for all residents and other stakeholders, including a formal complaints procedure, and we take steps to help our residents integrate into local communities, such as providing information about local services and amenities and hosting 'meet your neighbour' events.

Governance Performance Measures

Composition of the highest governance body

Composition of the highest governance body

Impact Area	EPRA Code	Units of measure	Indicator	2021	2022
Composition of the Board of Directors	Gov-Board	Total numbers	Number of executive board members	2	2
			Number of independent / non-executive board members	5	5
			Average tenure on the governance body	4 years 3 months	4 years 4 months
			Number of independent / non-executive board members with competencies relating to environmental and social topics	Reported via qualitative information on pages 56-57 in Grainger's 2021 Annual Report & Accounts	Reported via qualitative information on pages 62-63 in Grainger's 2022 Annual Report & Accounts

Narrative on performance:

Information on the skills and experience of members of Grainger's Board of Directors is reported in Grainger's Annual Report & Accounts. This includes their previous experience, qualifications and other appointments, including competencies relating to environmental and social topics. Mark Clare, the Chairman of the Board, was previously a trustee of the Building Research Establishment and the UK Green Building Council. The Non-Executive Director who joined the Board on the first day of the 2022 financial year and who chairs the newly formed Responsible Business Committee, Carol Hui has substantial non-executive experience with a focus on law, sustainability and infrastructure and is also the chair of the sustainability committee at Breedon Group plc.

Process for nominating and selecting the highest governance body

Nominating and selecting the highest governance body

Impact Area	EPRA Code	Units of measure	Indicator	2021	2022
Nominating and selecting the Board of Directors	Gov-Select	Narrative description	The nomination and selection processes for the Board of Directors and its committees	Reported in the Nominations Committee report on pages 68-71 in Grainger's 2021 Annual Report & Accounts	Reported in the Nominations Committee report on pages 72-75 in Grainger's 2022 Annual Report & Accounts
			Criteria used for nominating and selecting Board members, including whether and how <ul style="list-style-type: none"> - Stakeholders (including shareholders) are involved - Diversity is considered - Independence is considered - Expertise and experience relating to economic, environmental and social topics are considered 		

Narrative on performance:

Before making a new appointment, Grainger puts together a brief of the specific expertise and experience desired for the position and is considerate of the mix of expertise, diversity and inclusivity of the Board in drawing up this brief. Female representation at Board level rose back up to exceed the 33% recommended level at the start of the 2022 financial year thanks to the appointment of Carol Hui, the new chair of the Responsible Business Committee. All current Directors, apart from Rob Wilkinson who is retiring in February 2023, will stand for election or re-election at the 2023 Annual General Meeting. Michael Brodtman, former Chairman of the UK advisory arm of CBRE, will join the Board in his place in January 2023.

Process for managing conflicts of interest

Process for managing conflicts of interest

Impact Area	EPRA Code	Units of measure	Indicator	2021	2022
Process for managing conflicts of interest	Gov-Col	Narrative description	Processes to ensure that conflicts of interest are avoided and managed in the highest governance body	<p>Grainger has a Conflicts of Interest Policy that is reviewed by all staff. It requires potential conflicts of interest to be reported by employees to their line manager, referred to the Legal, Risk & Governance team where appropriate and escalated if required.</p> <p>Prior to any new appointment to the Grainger Board of Directors, Grainger requests details of any existing directorships held by the proposed Board member for consideration. Board level conflicts and potential conflicts are disclosed as they arise, and the register of conflicts is reviewed by the Board at least annually, or more frequently if required.</p> <p>The Conflicts of Interest Policy sets out that if anyone serving on the Board of Directors is considering accepting another appointment as a board member of another organisation (including not-for-profit organisations), prior to accepting the appointment, they must always disclose the proposed appointment to a member of the Grainger Board of Directors.</p>	
			Whether conflicts of interest are disclosed to stakeholders, including:	Conflicts of interest are disclosed to stakeholders in Grainger's Annual Report & Accounts. In 2021, a possible conflict of interest arose which is reported on page 99 in the 2021 Annual Report & Accounts under Directors' conflicts of interest.	Conflicts of interest are disclosed to stakeholders in Grainger's Annual Report & Accounts. In 2021, a possible conflict of interest arose which is reported on page 103 in the 2022 Annual Report & Accounts under Directors' conflicts of interest.
			<ul style="list-style-type: none"> - Cross-board membership - Cross-shareholding with suppliers and other stakeholders - Existence of controlling shareholder - Related party disclosure 	<p>Grainger discloses information on individual members of the Board of Directors on pages 56-57 of the 2021 Annual Report & Accounts. This includes their previous experience and qualifications, and other appointments and directorships. Directors' shareholdings and share interests are reported on pages 92-93. Any Directors' interests in significant contracts are disclosed in the Directors' report on page 99 - in 2021 there were no material interests to disclose.</p> <p>There is no controlling shareholder in Grainger plc. Substantial shareholdings in the organisation are disclosed on page 64 in the Annual Report & Accounts. Related party transactions are reported on page 154.</p>	<p>Grainger discloses information on individual members of the Board of Directors on pages 62-63 of the 2022 Annual Report & Accounts. This includes their previous experience and qualifications, and other appointments and directorships. Directors' shareholdings and share interests are reported on pages 97-98. Any Directors' interests in significant contracts are disclosed in the Directors' report on page 103 - in 2022 there were no material interests to disclose.</p> <p>There is no controlling shareholder in Grainger plc. Substantial shareholdings in the organisation are disclosed on page 67 in the Annual Report & Accounts. Related party transactions are reported on page 156.</p>

Narrative on performance:

In 2021, a possible conflict of interest was identified related to a Non-Executive Director's position as Chief Executive Officer at a real estate investment fund looking to invest in the same market as Grainger. A resolution was agreed to ensure compliance with the Companies Act, the Grainger Articles of Association and the Corporate Governance Code. Full details of this conflict are reported on page 99 in the 2021 Annual Report & Accounts. There were no new conflicts identified in 2022.