

EPRA  
Sustainability  
Performance  
Measures  
2023

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CONDOR



## EPRA Sustainability Performance Measures

This report covers EPRA Sustainability Performance Measures for the period 1st October 2022 - 30th September 2023, 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 data protection regulation makes gathering this data challenging. However we do report on electricity obtained by our landlord and supplied to us on a non-submetered basis for our offices 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	✓	✓	✓	6, 8
Elec-LfL	Like-for-like total electricity consumption	✓	✓	✓	6, 8
DH&C-Abs	Total district heating & cooling consumption	✓	N/A	N/A	8
DH&C-LfL	Like-for-like total district heating & cooling consumption	✓	N/A	N/A	8
Fuels-Abs	Total fuel consumption	✓	✓	✓	6, 8
Fuels-LfL	Like-for-like total fuel consumption	✓	✓	✓	6, 8
Energy-Int	Building energy intensity <sup>1</sup>	✓	✓	✓	6, 8
GHG-Dir-Abs	Total direct greenhouse gas (GHG) emissions <sup>2</sup>	✓	✓	✓	6, 9
GHG-Indir-Abs	Total indirect greenhouse gas (GHG) emissions <sup>3</sup>	✓	✓	✓	6, 9
GHG-Int	Greenhouse gas (GHG) intensity from building energy consumption <sup>4</sup>	✓	✓	✓	6, 9
Water-Abs	Total water consumption <sup>5</sup>	✓	✓	✗	11
Water-LfL	Like-for-like total water consumption	✓	✓	N/A	11
Water-Int	Building water intensity <sup>6</sup>	✓	✓	✗	11
Waste-Abs	Total weight of waste by disposal route <sup>7</sup>	✓	N/A	✓	12
Waste-LfL	Like-for-like total weight of waste by disposal route	✓	N/A	✓	12
Cert-Tot	Type and number of sustainably certified assets	✓	✓	N/A	13

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

<sup>1</sup> The intensity measure used for our property investment portfolio is kWh per m2. The intensity measure used for our own occupied offices is kWh per employee.

<sup>2</sup> Direct GHG emissions include emissions from fuel combustion from our property investment portfolio and our offices.

<sup>3</sup> 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.

<sup>4</sup> 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 m2. The intensity metric used for our own occupied offices is kg/CO2e per employee.

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

<sup>6</sup> The intensity metric used for our property investment portfolio is m3 per m2.

<sup>7</sup> 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 2023.

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 1<sup>st</sup> October 2021 - 30<sup>th</sup> September 2023. 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
<b>SOCIAL PERFORMANCE MEASURES</b>						
Diversity-Emp	Employee gender diversity	✓	N/A	N/A	N/A	14
Diversity-Pay	Gender pay ratio <sup>8</sup>	✓	N/A	N/A	N/A	14
Emp-Training	Employee training and development	✓	N/A	N/A	N/A	15
Emp-Dev	Employee performance appraisals	✓	N/A	N/A	N/A	15
Emp-Turnover	New hires and turnover	✓	N/A	N/A	N/A	15
H&S-Emp	Employee health and safety	✓	N/A	N/A	N/A	16
H&S-Asset	Asset health and safety assessments	N/A	✓	✓	✓	16
H&S-Comp	Asset health and safety compliance	N/A	✓	✓	✓	16
Comty-Eng	Community engagement, impact assessments and development programs <sup>9</sup>	N/A	✓	✓	✓	17
<b>GOVERNANCE PERFORMANCE MEASURES</b>						
Gov-Board	Composition of the highest governance body	✓	N/A	N/A	N/A	18
Gov-Selec	Process for nominating and selecting the highest governance body	✓	N/A	N/A	N/A	18
Gov-Col	Process for managing conflicts of interest	✓	N/A	N/A	N/A	19

<b>Key:</b>	Fully reported	✓	Partially reported	--	Not reported	✗	Not applicable	N/A
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<sup>8</sup> 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 5<sup>th</sup> April each year. The data provided is the most recently published data, for the 5<sup>th</sup> April 2023.

<sup>9</sup> 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 £3,207 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.

### Third party assurance

EcoAct 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 and Newcastle offices. Data on tenant consumption is not available due to data privacy requirements, however we report estimated tenant GHG emissions in our Streamlined Energy and Carbon Report in our Annual Report and Accounts.

### Normalisation

The denominators used are m<sup>2</sup> 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 and to align to industry practice.

### 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 offices where Grainger is a tenant, 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:

**2023:** 1<sup>st</sup> October 2022 - 30<sup>th</sup> September 2023

**2022:** 1<sup>st</sup> October 2021 - 30<sup>th</sup> September 2022

## Restatements

We have recalculated all 2022 energy data to improve the accuracy of reporting, taking into account data received in 2023 for consumption that took place in 2022.

## 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

Absolute and like-for-like energy and Building Energy Intensity for Own Office Occupation (kWh)			2022				2023				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	409,511	13 of 13	392,360	12 of 12	335,954	9 of 9	322,279	8 of 8	-18%	-18%
		Total electricity provided (on a non-submetered basis) to Grainger by its landlord	164,359	4 of 4	164,359	4 of 4	168,476	4 of 4	168,476	4 of 4	2.5%	2.5%
		Proportion of electricity from renewable sources	50%	-	38%	-	77%	-	70%	-	-	-
Fuels-Abs, Fuels-LfL		Total energy consumption from fuels submetered to Grainger by its landlord	211,883	2 of 2	211,883	2 of 2	226,440	2 of 2	226,440	2 of 2	6.9%	6.9%
		Total energy consumption from fuels provided (on a non-submetered basis) to Grainger by its landlord	246,495	1 of 1	246,495	1 of 1	223,574	1 of 1	223,574	1 of 1	-9.3%	-9.3%
		Proportion of fuels from renewable sources	6%	-	6%	-	50%	-	50%	-	-	-
Energy - Int	Building Energy Intensity for all energy submetered to Grainger by its landlord (kWh per employee per year)	1,817	15 of 15	1,481	9 of 9	1,512	11 of 11	1,188	9 of 9	-17%	-20%	
Estimation	% of energy and associated GHG estimated	9.0%	-	10.0%	-	4%	-	5%	-	-	-	

Absolute GHG emissions for Own Office Occupation (tonnes CO2e)			2022		2023		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)	33	2 of 2	0.05	2 of 2	-99.9%
GHG-Indir-Abs		Total indirect GHG emissions (GHG Protocol Scope 2)	79	13 of 13	70	9 of 9	-12%
		Total indirect GHG emissions (GHG Protocol Scope 3)	129	20 of 20	123	16 of 16	-5%
GHG-Int	Building GHG Intensity (GHG Protocol Scopes 1 and 2) (kg CO2e per employee per year)	327		187	-	-43%	

#### 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 Birmingham office closed during the 2023 reporting year. This office has been excluded from the like-for-like figures.

London office electricity meters were consolidated into a single meter during 2023, which resulted in a reduction in the number of meters compared to 2022. Electricity obtained by the landlord but consumed by Grainger on a non-submetered basis at its London Bridge and Newcastle offices is reported. The proportion of energy estimated reduced to more typical levels following the pandemic. 4% of absolute energy and associated GHG emissions have been estimated this year. In addition, the recalculation of 2022 emissions has reduced the proportion of estimation from 10% to 9%, 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's landlord on a sub-metered basis. The intensity figure excludes Scope 3 emissions from Well-to-Tank or Transmission and Distribution.

**Narrative on performance:**

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

Electricity - Total consumption of electricity sub-metered to Grainger by its landlords has reduced by 18%. Our Newcastle office has undergone major refurbishment works which were completed in May 2022, which have since resulted in a reduction in consumption vs the previous reporting period. Scope 2 emissions have decreased by 12% from the previous year - this is less than the absolute energy reduction due to the increase in the UK Grid intensity (published by BEIS) between 2022 and 2023.

Fuel - Total fuel use has increased by 7%. Office fuel use is primarily for heating and so is closely tied to weather conditions. A review of heating degree days shows that there was an increase in the number of heating-degree days this reporting period compared to the same period last year. Despite this, fuel use at non-submetered offices has decreased. This is due to the previously mentioned refurbishments of our Newcastle office. Emissions associated with fuel consumption have significantly decreased, this reduction is due to the transfer of our offices onto a green gas tariff.

Scope 3 - Emissions from WTT and T&D have decreased by 5% year on year. This is primarily due to decreases in electricity and fuel consumption, whilst also being attributed to a slight reduction in the WTT factor for UK Electricity in 2023 compared to 2022.

**Energy and GHG emissions intensity:** GHG emissions intensity per employee has decreased by 43% between 2022 and 2023 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 2022 to 30 September 2023.

Absolute and like-for-like energy and Building Energy Intensity for owned assets (kWh)			2022				2023				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	3,926,650	295 of 295	3,456,030	189 of 189	4,371,125	291 of 291	3,364,370	189 of 189	11%	-2.7%	
		Proportion of electricity from renewable sources	78%	-	78%	-	90%	-	98%	-			
		% of electricity estimated	6%	-	7%	-	2%	-	2%	-			
DH&C-Abs, DH&C-LfL		Grainger obtained District Heat	18,040	2 of 2	18,040	2 of 2	24,833	2 of 2	24,833	2 of 2	38%	38%	
		Proportion of district heat from renewable sources	0%	-	0%	-	0%	-	0%	-			
		% of district heat estimated	0%	-	0%	-	3%	-	3%	-			
Fuels-Abs, Fuels-LfL		Total energy consumption from Grainger obtained fuels (natural gas and biomass)	5,072,735	12 of 12	4,052,277	11 of 11	8,237,956	16 of 16	3,817,506	11 of 11	62%	-5.8%	
		Proportion of fuels from renewable sources	43%	-	43%	-	55%	-	85%	-			
		% of fuels estimated	8%	-	0%	-	3%	-	1%	-			
Elec-Abs, Elec-LfL		Regulated	Grainger obtained electricity	1,035,033	166 of 166	411,646	92 of 92	823,615	132 of 132	367,958	92 of 92	-20%	-11%
			Proportion of electricity from renewable sources	84%	-	62%	-	96%	-	92%	-		
			% of electricity estimated	3%	-	0%	-	1%	-	3%	-		
Fuels-Abs, Fuels-LfL	Total energy consumption from Grainger obtained fuels (natural gas and biomass)		2,527,345	8 of 8	700,151	3 of 3	1,042,467	6 of 6	645,607	3 of 3	-59%	-8%	
	Proportion of fuels from renewable sources		14%	-	9%	-	81%	-	100%	-			
	% of fuels estimated		0%	-	0%	-	0%	-	0%	-			
Elec-Abs, Elec-LfL	Grand Total		Grainger obtained electricity	4,961,683	461 of 461	3,867,676	281 of 281	5,194,739	423 of 423	3,732,328	281 of 281	4.7%	-3.5%
			Proportion of electricity from renewable sources	79%	-	76%	-	91%	-	98%	-		
			% of electricity estimated	5%	-	6%	-	2%	-	2%	-		
Fuels-Abs, Fuels-LfL			Total energy consumption from Grainger obtained fuels (natural gas and biomass)	7,600,080	20 of 20	4,752,428	14 of 14	9,280,423	22 of 22	4,463,113	14 of 14	22%	-6.1%
			Proportion of fuels from renewable sources	33%	-	38%	-	58%	-	87%	-		
			% of fuels estimated	6%	-	0%	-	3%	-	1%	-		
Energy - Int		Energy Intensity	Building Energy Intensity for all Grainger-obtained building energy kWh per residential gross internal area (m <sup>2</sup> )	17.5	-	-	-	19.7	-	-	-	12.4%	-

Absolute GHG emissions and GHG intensity for owned assets (tonnes CO2e)			2022		2023		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)	529	12 of 12	689	16 of 16	30%
GHG-Indir-Abs		Total indirect GHG emissions (GHG Protocol Scope 2)	762	297 of 297	910	293 of 293	19%
		Total indirect GHG emissions (GHG Protocol Scope 3)	427	309 of 309	543	309 of 309	27%
GHG-Dir-Abs	Regulated	Total direct GHG emissions (GHG Protocol Scope 1)	391	8 of 8	36	6 of 6	-91%
GHG-Indir-Abs		Total indirect GHG emissions (GHG Protocol Scope 2)	200	166 of 166	171	132 of 132	-15%
		Total indirect GHG emissions (GHG Protocol Scope 3)	147	174 of 174	85	138 of 138	-42%
GHG-Dir-Abs	Grand Total	Total direct GHG emissions (GHG Protocol Scope 1)	920	20 of 20	725	22 of 22	-21%
GHG-Indir-Abs		Total indirect GHG emissions (GHG Protocol Scope 2)	963	463 of 463	1080	425 of 425	12%
		Total indirect GHG emissions (GHG Protocol Scope 3)	574	483 of 483	629	447 of 447	9%
Estimation		% of GHG estimated	6%	-	2%	-	-

  

GHG-Int	Grand Total	GHG intensity for all Grainger obtained building energy (Scopes 1 and 2) kg Co2e per residential gross internal area (m <sup>2</sup> )	2.6	-	2.5	-	-6.5%
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#### **Data coverage notes for owned assets:**

##### **Absolute energy and Scope 1 and 2 GHG emissions:**

Fuel - We have been able to report consumption - and scope 1 GHG emission - across all 22 of the meters for which we purchase fuels.

District Heating - We have been able to report consumption - 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 consumption - and scope 2 GHG emissions - across all 423 of the meters for which we purchased electricity. Scope 2 is presented here as location-based emissions.

**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 reporting period.

**Absolute scope 3 emissions:** Scope 3 emissions relate to transmission and distribution losses and well-to-tank emissions associated with Grainger's purchased electricity and fuels. 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 113).

#### **Narrative on performance:**

##### **Absolute energy:**

PRS - Total Grainger obtained electricity for PRS properties has increased by 11%. This is primarily due to the change of property makeup within PRS, with acquisitions and divestments, whilst there is also a continued increased in occupation of new Build-to-Rent properties which have larger common parts and consume more energy. Grainger obtained fuel consumption for PRS properties has increased significantly in absolute terms, this is again due to acquisitions as the like-for-like figure have shown a reduction. In particular, 3 properties with gas powered communal heat networks now contribute a significant amount to Grainger's fuel use.

Regulated - Grainger obtained electricity for regulated properties has reduced by 20%, which is partially due to renovations on some properties, but primarily due to the change in the portfolio meaning that some less efficient properties have been removed. Fuels obtained by Grainger for regulated properties has also reduced significantly, by 59%. The main reason for this reduction was that our Hillsborough Court asset was sold midway through 2022, which was previously a significant gas consumer and represented ~50% of total natural gas consumption across Regulated properties.

**Absolute GHG emissions:** Grainger obtained Scope 1 GHG emissions have decreased this year, by 21% despite the overall increase in natural gas use. This is because over half of our properties have now been moved onto a central biogas contract, replacing the previous natural gas supply. Grainger's Scope 2 emissions have increased by 12%, due to a combination of increased electricity use (+ 4.7%) coupled with the increase in the UK electricity grid intensity compared to the previous year (+ 7.1%). Scope 3 emissions have increased overall by 9%, due to the increased consumptions across the portfolio as described above.

**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 3.5% in electricity consumption and a decrease of 6.1% in fuel consumption. This is reflective of energy efficiency activities that were run across a selection PRS and Regulated properties.

**Energy and GHG emissions intensity:** We have used residential total gross internal area (m<sup>2</sup>) as our main intensity Performance Measure, which has increased by 3% this year compared to the previous year. As a result of this, coupled with the trends observed above, Grainger's energy intensity has increased by 12% whilst emissions intensity has decreased by 6%.

## 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		2022				2023				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	15145	27 of 27	7366	20 of 20	15488	31 of 31	8155	20 of 20	2.3%	10.7%
	Regulated	672	2 of 2	672	2 of 2	241	2 of 2	241	2 of 2	-64.2%	-64.2%
	Grand Total	15817	29 of 29	8039	22 of 22	15729	33 of 33	8396	22 of 22	-0.6%	4.4%
	% of water estimated	6%	-	0%	-	12%	-	1%	-	-	-
Water intensity (m3)	Water intensity (m3)	0.02	29 of 29	0.01	22 of 22	0.02	33 of 33	0.01	22 of 22	-0.6%	1.9%

### Data coverage notes for owned assets:

**Absolute water:** We have been able to report water usage for all properties for which we collect water data

**Like-for-like water:** We have excluded any properties bought or sold during the reporting period from like-for-like data. In addition, properties for which Grainger began to collect water data within the 2-year period are excluded from 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 has 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. PRS property water consumption has slightly increased overall during this period, with a larger increase in like-for-like water consumption. For Regulated properties there was a more significant reduction across the 2 meters on both an absolute and like-for-like basis.

**Water intensity:** We have used residential total gross internal area (m<sup>2</sup>) as our main intensity Performance Measure. Grainger's absolute water intensity has decreased over the 2-year period, due to a combination of reduced water usage - as described above - and a 3% increase in residential total gross internal area.

## 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 assets		2022				2023				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	889.4		889		916		916		3.0%	3.0%
	Recycled	404.8	46%	405	46%	423	46%	423	46%	4.5%	4.5%
	Incineration (with and without energy recovery)	377.1	42%	377	42%	385	42%	385	42%	2.1%	2.1%
	Landfill (non hazardous)	107.4	12%	107	12%	107	12%	107	12%	0.0%	0.0%
	Hazardous Waste Treatment Facility	-	-	-	-	-	-	-	-	-	-
	% of waste estimated	86%		86%		84%		84%		-	-
	Coverage of applicable properties	12 of 13		12 of 13		12 of 13		12 of 13			
Grand total	Total	889.4		889		916		916		3.0%	3.0%
	Recycled	404.8	46%	405	46%	423	46%	423	46%	4.5%	4.5%
	Incineration (with and without energy recovery)	377.1	42%	377	42%	385	42%	385	42%	2.1%	2.1%
	Landfill (non hazardous)	107.4	12%	107	12%	107	12%	107	12%	0.0%	0.0%
	Hazardous Waste Treatment Facility	-	-	-	-	-	-	-	-	-	-
	% of waste estimated	86%		86%		84%		84%		-	-
	Coverage of applicable properties	12 of 13		12 of 13		12 of 13		12 of 13			
Own office occupation	Total	61.0		61		96.9		97		58.8%	58.8%
	Recycled	18	30%	18	30%	28.7	30%	29	30%	59.3%	59.3%
	Incineration (with and without energy recovery)	43	70%	43	70%	68.2	70%	68	70%	59.1%	59.1%
	Landfill (non hazardous)	0.14	0%	0.14	0%	0.0	0%	0	0%	-100.0%	-100.0%
	Hazardous Waste Treatment Facility	-	-	-	-	-	-	-	-	-	-
	% of waste estimated	13.3%		13.3%		13.3%		13.3%		-	-
	Coverage of applicable properties	5 of 5		5 of 5		5 of 5		5 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.

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 with the exception of data for The Forge. Because of this, there is no narrative on performance available.

### Data coverage notes for occupied offices:

**Absolute and like-for-like waste:** Data was available for Grainger's primary offices - London and Newcastle. No waste data is currently collected at Birmingham, Salford and Aldershot offices, which have only a small number of employees. To address this gap, waste data from the London and Newcastle offices was used as a proxy and scaled based on headcount.

### Narrative on performance:

**Owned Assets:** Waste consumption increased marginally from 2022 to 2023. This is due to a small increase in recycled and incinerated waste generated at the Forge, with no change in landfilled waste.

**Offices:** Waste consumption increased this year. This is partly due to a small increase in waste generated in our London Office. However, the main reason is due to our Newcastle office. In the previous reporting period, the office undertook refurbishment and so proxy/partial data was reported. This year the Newcastle office was operating across the entire reporting period and so a full year of actual data can be reported.

## Type and number of sustainably certified assets

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

		2022						2023					
		PRS			Regulated			PRS			Regulated		
Type of certification	Name of certification	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	8,861	100%	8,861 of 8,899	1,684	98%	1,684 of 1,716	8,069	100%	8,069 of 8,070	1,370	98%	1,370 of 1,398
Voluntary certifications	Code for Sustainable Homes Level 3 / 4	338	4%	338 of 746	-	-	0 of 0	338	4%	338 of 1,452	-	-	0 of 0
Voluntary certifications	BREEAM Domestic Refurbishment Outstanding	192	3%	192 of 192	-	-	0 of 0	192	2%	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 2022 and 2023 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	2022		2023	
				Female	Male	Female	Male
Employee gender diversity	Diversity-Emp	% of male & female employees	Employees in the organisation's Board of Directors	42%	58%	42%	58%
			Employees in the organisation's senior management	24%	76%	29%	71%
			All employees	55%	45%	57%	43%

#### 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 42%.

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 within the remit of the Responsible Business Committee which was formed in 2022. More information on Board diversity can be found on page 84 of the 2023 Annual Report and an update on our approach to diversity and inclusion is provided on page 46.

### Gender pay ratio

#### Gender Pay Ratio

Impact Area	EPRA Code	Units of measure		2022	2023
Employee gender pay gap	Diversity-Pay	% gender pay gap	Mean (average) percentage by which female pay is lower than male pay	37.6%	29.3%
			Median (average) percentage by which female pay is lower than male pay	34.5%	28.0%

#### 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 2023, 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	2022	2023
Employee training and development	Emp-Training	Average number of hours	Average hours of training undertaken by employees in the reporting period	21.55 hours	15.11 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 however there was a reduction compared to a record year of training delivery in 2022 which was due to company-wide customer service style training. Employee training occurred both in person and virtually and included formal leadership development training programmes, digital compliance training and role specific learning hours. We have developed a Career Development Framework blueprint to support the development of greater transparency and clarity of the skills, behaviours and competencies required for key roles across the business.

We continued to maintain 100% of employees receiving performance appraisals. Appraisals are undertaken twice per year and consider colleague performance against objectives, compliance with company initiatives such as our Live.Safe Health & Safety programme and in line with Grainger's company values.

## New hires and turnover

### Employee Turnover and Retention

Impact Area	EPRA Code	Units of measure	Indicator	2022		2023	
				Number	Rate	Number	Rate
Employee turnover and retention	Emp-Turnover	Total number and rate	New employee hires	47	14%	44	12%
			Employee turnover	75	24%	59	17%

#### 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	2022	2023
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	1.87	1.53
		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 an annual Safety Climate survey which helps us to benchmark our performance on embedding health and safety into our organisational culture; this performance has remained consistently strong relative to other organisations completing the survey.

We maintained our record of no RIDDOR reportable health and safety incidents for employees. The absentee rate reduced between 2022 and 2023 as we returned to more standard working patterns following the pandemic.

## Asset health and safety assessments and compliance

### Asset Health & Safety Assessments and Compliance

				PRS		Regulated	
				2022	2023	2022	2023
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. We have introduced a streamlined accident reporting procedure and incident system 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	
				2022	2023	2022	2023
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 2023, our total community investment was over £190,000. This includes an in-kind donation of homes to six Ukrainian refugee families in Grainger Trust's Poppy Apartments, Millet Place, worth over £150,000.

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.

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 a whistleblowing facility. 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. In 2023 we held over 400 residents and community events across our portfolio. We also introduced a new approach to charity engagement at our operational sites, with local charity partners identified in key cluster locations. More information is provided on page 49 in the 2023 Annual Report.

## Governance Performance Measures

### Composition of the highest governance body

#### Composition of the highest governance body

Impact Area	EPRA Code	Units of measure	Indicator	2022	2023
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 4 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 62-63 in Grainger's 2022 Annual Report & Accounts	Reported via qualitative information on pages 72-73 in Grainger's 2023 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. Carol Hui, the Non-Executive Director who chairs the Responsible Business Committee has substantial non-executive experience with a focus on sustainability and is also the chair of the sustainability committee at Breedon Group plc. Michael Brodtman who was appointed to the Board as a Non-Executive Director in 2023 is a Trustee of Jewish Care, the health and social welfare charity and sits on the Grants and Impacts Committee of LandAid, the property industry charity.

### Process for nominating and selecting the highest governance body

#### Nominating and selecting the highest governance body

Impact Area	EPRA Code	Units of measure	Indicator	2022	2023
Nominating and selecting the Board of Directors	Gov-Select	Narrative description	The nomination and selection processes for the Board of Directors and its committees Criteria used for nominating and selecting Board members, including whether and how - Stakeholders (including shareholders) are involved - Diversity is considered - Independence is considered - Expertise and experience relating to economic, environmental and social topics are considered	Reported in the Nominations Committee report on pages 72-75 in Grainger's 2022 Annual Report & Accounts	Reported in the Nominations Committee report on pages 82-85 in Grainger's 2023 Annual Report & Accounts

#### 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. Grainger's Nominations Committee ensures that both appointments and succession plans are based on merit and objective criteria and promote diversity of gender, social and ethnic backgrounds and cognitive and personal strengths and works closely with the Responsible Business Committee with regard to the wider diversity and inclusion strategy and agenda.

## Process for managing conflicts of interest

### Process for managing conflicts of interest

Impact Area	EPRA Code	Units of measure	Indicator	2022	2023
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 &amp; 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: <ul style="list-style-type: none"> <li>- Cross-board membership</li> <li>- Cross-shareholding with suppliers and other stakeholders</li> <li>- Existence of controlling shareholder</li> <li>- Related party disclosure</li> </ul>	<p>Conflicts of interest are disclosed to stakeholders in Grainger's Annual Report &amp; Accounts. In 2021, a possible conflict of interest arose which is reported on page 103 in the 2022 Annual Report &amp; Accounts under Directors' conflicts of interest.</p> <p>Grainger discloses information on individual members of the Board of Directors on pages 62-63 of the 2022 Annual Report &amp; 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 &amp; Accounts. Related party transactions are reported on page 156.</p>	<p>Conflicts of interest are disclosed to stakeholders in Grainger's Annual Report &amp; Accounts. In 2023 there were no conflicts of interest identified.</p> <p>Grainger discloses information on individual members of the Board of Directors on pages 72-73 of the 2023 Annual Report &amp; Accounts. This includes their previous experience and qualifications, and other appointments and directorships. Directors' shareholdings and share interests are reported on pages 106-107. Any Directors' interests in significant contracts are disclosed in the Directors' report on page 112 - in 2023 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 77 in the Annual Report &amp; Accounts. Related party transactions are reported on page 167.</p>

### Narrative on performance:

There were no new conflicts of interest identified in 2022 or 2023.