

**EPRA  
Sustainability  
Performance  
Measures  
2020**



## EPRA Sustainability Performance Measures

This report covers EPRA Sustainability Performance Measures for the period 1st October 2019– 30th September 2020, 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 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.

#### EPRA sustainability best practice recommendations compliance table – Environmental Sustainability Performance Measures

EPRA Sustainability Performance Measure		Property investment portfolio		Offices	Where measure is reported
		PRS assets	Regulated assets	Own office occupation	Pages
<b>Elec-Abs</b>	<b>Total electricity consumption</b>	✓	✓	✓	6, 8
<b>Elec-LfL</b>	<b>Like-for-like total electricity consumption</b>	✓	✓	✓	6, 8
<b>DH&amp;C-Abs</b>	<b>Total district heating &amp; cooling consumption<sup>1</sup></b>	N/A	N/A	N/A	N/A
<b>DH&amp;C-LfL</b>	<b>Like-for-like total district heating &amp; cooling consumption</b>	N/A	N/A	N/A	N/A
<b>Fuels-Abs</b>	<b>Total fuel consumption</b>	✓	✓	✓	6, 8
<b>Fuels-LfL</b>	<b>Like-for-like total fuel consumption</b>	✓	✓	✓	6, 8
<b>Energy-Int</b>	<b>Building energy intensity<sup>2</sup></b>	✓	✓	✓	6, 8
<b>GHG-Dir-Abs</b>	<b>Total direct greenhouse gas (GHG) emissions<sup>3</sup></b>	✓	✓	✓	6, 9
<b>GHG-Indir-Abs</b>	<b>Total indirect greenhouse gas (GHG) emissions<sup>4</sup></b>	✓	✓	✓	6, 9
<b>GHG-Int</b>	<b>Greenhouse gas (GHG) intensity from building energy consumption<sup>5</sup></b>	✓	✓	✓	6, 9
<b>Water-Abs</b>	<b>Total water consumption<sup>6</sup></b>	✓	✓	✗	10
<b>Water-LfL</b>	<b>Like-for-like total water consumption</b>	✓	✓	N/A	10
<b>Water-Int</b>	<b>Building water intensity<sup>7</sup></b>	✓	✓	✗	10
<b>Waste-Abs</b>	<b>Total weight of waste by disposal route<sup>8</sup></b>	✓	N/A	✓	11
<b>Waste-LfL</b>	<b>Like-for-like total weight of waste by disposal route</b>	✓	N/A	✓	11
<b>Cert-Tot</b>	<b>Type and number of sustainably certified assets</b>	✓	✓	N/A	12

<b>Key:</b>	Fully reported	✓	Partially reported	--	Not reported	✗	Not applicable	N/A
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<sup>1</sup> There is currently no landlord-obtained district heating and cooling consumption to report, and so these measures have been excluded from the EPRA tables

<sup>2</sup> 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.

<sup>3</sup> Direct GHG emissions include emissions from fuel combustion from our property investment portfolio and our offices.

<sup>4</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.

<sup>5</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/CO<sub>2</sub>e per £m value of assets under management. The intensity metric used for our own occupied offices is kg/CO<sub>2</sub>e per employee.

<sup>6</sup> Water consumption is not gathered for our own offices due to landlord metering arrangements.

<sup>7</sup> The intensity metric used for our property investment portfolio is m<sup>3</sup> per £m value of assets under management.

<sup>8</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 2020 and 2019.

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 CO<sub>2</sub> equivalent (t CO<sub>2</sub>e) and greenhouse gas intensity is reported as kilogrammes of CO<sub>2</sub> equivalent (kg CO<sub>2</sub>e).

Like-for-like measures include all assets held for the full two-year period from 1<sup>st</sup> October 2018 - 30<sup>th</sup> September 2020. 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.

### EPRA sustainability best practice recommendations compliance table – Social and Governance Performance Measures

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	13
Diversity-Pay	Gender pay ratio <sup>9</sup>	✓	N/A	N/A	N/A	13
Emp-Training	Employee training and development	✓	N/A	N/A	N/A	14
Emp-Dev	Employee performance appraisals	✓	N/A	N/A	N/A	14
Emp-Turnover	New hires and turnover	✓	N/A	N/A	N/A	14
H&S-Emp	Employee health and safety	✓	N/A	N/A	N/A	15
H&S-Asset	Asset health and safety assessments	N/A	✓	✓	✓	15
H&S-Comp	Asset health and safety compliance	N/A	✓	✓	✓	15
Comty-Eng	Community engagement, impact assessments and development programs <sup>10</sup>	N/A	✓	✓	✓	16
<b>GOVERNANCE PERFORMANCE MEASURES</b>						
Gov-Board	Composition of the highest governance body	✓	N/A	N/A	N/A	17
Gov-Selec	Process for nominating and selecting the highest governance body	✓	N/A	N/A	N/A	17
Gov-Col	Process for managing conflicts of interest	✓	N/A	N/A	N/A	18
<b>Key:</b> Fully reported ✓ Partially reported -- Not reported ✗ Not applicable N/A						

<sup>9</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 2020 and reported in April 2021.

<sup>10</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 £2,592 million. 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. 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 180 days) from the current calendar year is used; or
2. the daily average of available data (requiring a minimum of 180 days) from the previous calendar year is used; or
3. where insufficient previous data was available, we have excluded the property from reporting.

Where newly acquired assets have entered the portfolio and accurate meter readings are not able to be obtained straight away, we have calculated back dated estimates of an initial meter reading based on pro rata estimates of actual meter reading data after this time. We have only back dated these estimates to the date that the asset became Grainger's responsibility if less than a year prior to the first available meter reading, or the beginning of the current reporting year if the acquisition date is more than a year before the first available actual meter reading.

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 increased between 2019 and 2020 due to the impact of the Covid-19 pandemic which prevented site visits being undertaken to obtain actual meter readings.

### Third party assurance

Grainger does not currently obtain third party assurance for any data reported in our EPRA Sustainability Performance Measures. However, all data is checked by our Sustainability Consultants, Carbon Intelligence.

### 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.

### Normalisation

The denominators used are £m value of assets under management for our property investment portfolio and number of employees for our own occupied offices. These intensity metrics have been chosen to align with what we report in the strategic report in our Annual Report & Accounts. Floor area is not routinely recorded for common parts areas of UK residential properties and is therefore 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, three multi-occupied offices where Grainger is a tenant and two where it is the landlord. One office (Altrincham) relocated at the end of the reporting year from a tenanted site to a Grainger-owned site. 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:

**2020:** 1<sup>st</sup> October 2019 - 30<sup>th</sup> September 2020

**2019:** 1<sup>st</sup> October 2018 - 30<sup>th</sup> September 2019

## Restatements

We have recalculated all 2019 energy data to improve the accuracy of reporting, taking into account data received in 2020 for consumption that took place in 2019.

Since the publication of the Streamlined Energy and Carbon Report in Grainger's 2020 Annual Report and Accounts, absolute and like-for-like GHG emissions for offices and owned assets have been recalculated. This is due to using 2019's reported consumption in the Streamlined Energy and Carbon Report rather than recalculating 2019 data.

## Materiality

Grainger undertook an extensive sustainability materiality review in 2017 which identified the following as the most material sustainability issues to the organisation: health and safety, resident wellbeing, community engagement, waste and resource management, affordable housing, energy and carbon and corporate governance.

The review included a peer review and benchmarking exercise, political and legislative analysis, and stakeholder engagement, where we consulted employees and key external stakeholders, including top shareholders, potential customers and key suppliers. This review identified that most sustainability issues covered by the EPRA Sustainability Performance Measures are highly material to the organisation. 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 report.

We undertook a further review of our most material issues in 2019, which included research into priorities for our investors and customers. This review identified that the material issues covered within the EPRA Sustainability Performance Measures became even more material to our business. In particular, energy, waste, diversity and community engagement are priority material issues for Grainger's sustainability strategy and we have set new long-term commitments in each of these areas – for more information please refer to Grainger's website at: <https://corporate.graingerplc.co.uk/responsibility>

## 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)			2019				2020				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 properties	Like-for-like consumption	Coverage of applicable properties				
Elec-Abs, Elec-LfL	Own Office Occupation	Total electricity submetered to Grainger by its landlord	401,729	5 of 5	401,729	5 of 5	377,259	5 of 5	377,259	5 of 5	-6%	-6%		
		Total electricity provided (on a non-submetered basis) to Grainger by its landlord	112,587	1 of 3	112,587	1 of 3	112,896	1 of 3	112,896	1 of 3	0%	0%		
		Proportion of electricity from renewable sources	-	-	-	-	-	-	-	-	-	-		
Fuels-Abs, Fuels-LfL		Total energy consumption from fuels submetered to Grainger by its landlord	181,688	2 of 2	181,688	2 of 2	233,935	2 of 2	233,935	2 of 2	29%	29%		
		Proportion of fuels from renewable sources	-	-	-	-	-	-	-	-	-	-		
Energy - Int		Building Energy Intensity for all energy submetered to Grainger by its landlord (kWh per employee per year)	1,510	5 of 5	1,510	5 of 5	1,241	5 of 5	1,241	5 of 5	-18%	-18%		
Estimation		% of energy and associated GHG estimated	0%	-	0%	-	23%	-	23%	-	-	-		

Absolute GHG emissions for Own Office Occupation (tonnes CO2e)			2019		2020		Absolute trend
			Absolute Consumption	Coverage of applicable properties	Absolute Consumption	Coverage of applicable properties	
GHG-Dir-Abs	Own Office Occupation	Total direct GHG emissions (GHG Protocol Scope 1)	33	2 of 2	43	2 of 3	29%
GHG-Indir-Abs		Total indirect GHG emissions (GHG Protocol Scope 2)	135	5 of 5	88	5 of 5	-35%
		Total indirect GHG emissions (GHG Protocol Scope 3)	35	5 of 5	33	5 of 5	-8%
GHG-Int		Building GHG Intensity (GHG Protocol Scopes 1 and 2) (kg CO2e per employee per year)	633	-	517	-	-18%

#### Data coverage notes for office occupation:

**Absolute and like-for-like energy and GHG emissions:** All five of Grainger's occupied offices have been included in the absolute and like-for-like energy and GHG figures reported. Grainger's Altrincham office closed at the end of the reporting year and a new office opened in Salford. Data for the Salford office is in process of being gathered for reporting in 2021 and the Altrincham office remained within Grainger's control until the end of 2020 and so is included in the like-for-like reporting. 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 two other offices 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. 23% of energy and associated GHG emissions has been estimated this year due to impact of the Covid-19 lockdowns on our ability to obtain actual meter readings.

**Energy and GHG intensity:** All five 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 and exclude energy and emissions from electricity obtained by the landlord and provided to Grainger on a non-submetered basis, and transmission and distribution.

**Narrative on performance:**

**Absolute and like-for-like energy and GHG emissions:** Total consumption of electricity sub-metered to Grainger by its landlords across the occupied offices portfolio has reduced by 6% due to reduced occupation of our offices during the lockdowns related to the Covid-19 pandemic. Total fuel usage and Scope 1 emissions have increased by 29% which is attributed to colder weather in Spring 2020 and increased occupation at the Aldershot office. Scope 2 and Scope 3 emissions have decreased by 35% and 8% respectively due to the reduction in electricity use during the Covid-19 lockdowns and a reduction in the carbon content of the UK's grid electricity. Like-for-like performance follows the same trend as absolute performance due to all occupied offices being included in the analysis.

**Energy and GHG emissions intensity:** Energy intensity and GHG emissions intensity have decreased by 18% between 2019 and 2020 due to the decrease in the use of offices during the Covid-19 pandemic and associated reduction in electricity and Scope 2 emissions.

## 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 2019 to 30 September 2020.

Absolute and like-for-like energy and Building Energy Intensity for owned assets (kWh)			2019				2020				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 properties	Like-for-like consumption	Coverage of applicable properties		
Elec-Abs, Elec-LfL	PRS	Grainger obtained electricity	1,846,586	142 of 156	1,712,204	123 of 123	2,460,943	142 of 152	1,876,670	123 of 123	33%	10%
		Proportion of electricity from renewable sources	68%	-	68%	-	77%	-	75%	-		
		% of electricity estimated	20%	-	11%	-	21%	-	17%	-		
Fuels-Abs, Fuels-LfL		Total energy consumption from Grainger obtained fuels (natural gas)	152,305	3 of 3	152,305	3 of 3	258,159	5 of 5	175,826	3 of 3	70%	15%
		Proportion of fuels from renewable sources	-	-	-	-	-	-	-	-		
		% of fuels estimated	0%	-	0%	-	33%	-	2%	-		
Elec-Abs, Elec-LfL	Regulated	Grainger obtained electricity	823,596	84 of 86	782,821	63 of 63	822,878	77 of 83	796,865	63 of 63	0%	2%
		Proportion of electricity from renewable sources	66%	-	67%	-	91%	-	93%	-		
		% of electricity estimated	2%	-	2%	-	13%	-	12%	-		
Fuels-Abs, Fuels-LfL		Total energy consumption from Grainger obtained fuels (natural gas)	3,379,402	5 of 5	3,258,379	4 of 4	3,995,109	6 of 6	3,925,115	4 of 4	18%	20%
		Proportion of fuels from renewable sources	-	-	-	-	-	-	-	-		
		% of fuels estimated	4%	-	4%	-	34%	-	35%	-		
Elec-Abs, Elec-LfL	Grand Total	Grainger obtained electricity	2,670,182	226 of 242	2,495,025	186 of 186	3,283,821	219 of 235	2,673,536	186 of 186	23%	7%
		Proportion of electricity from renewable sources	57%	-	56%	-	76%	-	75%	-		
		% of electricity estimated	14%	-	7%	-	23%	-	20%	-		
Fuels-Abs, Fuels-LfL		Total energy consumption from Grainger obtained fuels (natural gas)	3,531,707	8 of 8	3,410,685	7 of 7	4,253,268	11 of 11	4,100,941	7 of 7	20%	20%
		Proportion of fuels from renewable sources	-	-	-	-	-	-	-	-		
		% of fuels estimated	4%	-	4%	-	35%	-	34%	-		
Energy - Int	Energy Intensity	Building Energy Intensity for all Grainger-obtained building energy kWh per £m value of assets under management / year	2,439	-	-	-	2,830	-	-	-	16.1%	



### Absolute GHG emissions and GHG intensity for owned assets (tonnes CO<sub>2</sub>e)

			2019		2020		Absolute trend
			Absolute Consumption	Coverage of applicable properties	Absolute Consumption	Coverage of applicable properties	
GHG-Dir-Abs	PRS	Total direct GHG emissions (GHG Protocol Scope 1)	28	3 of 3	47	5 of 5	69%
GHG-Indir-Abs		Total indirect GHG emissions (GHG Protocol Scope 2)	485	142 of 156	574	142 of 152	18%
		Total indirect GHG emissions (GHG Protocol Scope 3)	115	142 of 156	141	142 of 152	23%
GHG-Dir-Abs	Regulated	Total direct GHG emissions (GHG Protocol Scope 1)	621	5 of 5	735	6 of 6	18%
GHG-Indir-Abs		Total indirect GHG emissions (GHG Protocol Scope 2)	216	84 of 86	192	77 of 83	-11%
		Total indirect GHG emissions (GHG Protocol Scope 3)	131	84 of 86	141	77 of 83	8%
GHG-Dir-Abs	Grand Total	Total direct GHG emissions (GHG Protocol Scope 1)	649	8 of 8	782	11 of 11	20%
GHG-Indir-Abs		Total indirect GHG emissions (GHG Protocol Scope 2)	701	226 of 242	766	219 of 235	9%
		Total indirect GHG emissions (GHG Protocol Scope 3)	246	226 of 242	282	219 of 235	15%
Estimation		% of GHG estimated	8%	-	10%	-	28%

  

GHG-Int	Grand Total	GHG intensity for all Grainger obtained building energy (Scopes 1 and 2) kg Co <sub>2</sub> e per £m value of assets under management / year	531	-	581		9%
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#### Data coverage notes for owned assets:

**Absolute energy and Scope 1 and 2 GHG emissions:** We have been able to report fuels and scope 1 GHG emissions for all 11 properties for which we purchase fuels. We have also been able to report electricity and scope 2 GHG emissions data for 219 of 235 properties. 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. Seven PRS properties and 13 regulated properties were sold within the reporting year. We have been unable to report data for 16 properties where data coverage is insufficient. This is for a number of reasons including lag time between Grainger's acquisition of the property and utility contracts being set up, challenges obtaining readings due to Covid-19 lockdowns and meter breakdowns or access issues.

**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 months' 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 94).

#### Narrative on performance:

**Absolute energy:** Total Grainger obtained electricity for PRS properties has increased by 33%. This is due to acquisitions and increased occupation of new Build-to-Rent properties which have larger common parts and consume more energy. The % of renewable electricity purchased increased as more properties were transferred onto Grainger's central renewable electricity contract. Grainger obtained fuels consumption for PRS properties has increased by 70% due to the acquisition and lease-up of new Build-to-Rent properties with communal gas heating and increased occupancy as residents spent more time at home during Covid-19 lockdowns.

Grainger obtained electricity for regulated properties has remained relatively stable and reduced by 0.1%. Grainger obtained fuels consumption for regulated properties has increased by 18% due to increased occupancy as residents spent more time at home during Covid-19 lockdowns increasing use of gas-fired heating and hot water.

**Absolute GHG emissions:** Grainger obtained Scope 1 GHG emissions increased by 20% due to the acquisition of new PRS properties with communal gas heating and increased occupancy as residents spent more time at home during Covid-19 lockdowns. Grainger obtained Scope 2 and Scope 3 emissions have also increased as a result of new PRS property acquisitions, however the increase in Scope 2 emissions was limited to 9% due to the reduction in the carbon content of the UK's grid electricity.

**Like-for-like energy:** Common parts refurbishments undertaken previously have delivered significant energy savings at individual assets of up to 30%, however like-for-like electricity and gas consumption both increased during the reporting period due to increase occupation resulting from the lease up of new Build-to-Rent properties and the Covid-19 lockdowns.

**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 increased due to the increased occupancy of our assets during the reporting period.

## 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		2019				2020				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 properties	Like-for-like consumption	Coverage of applicable properties		
Water (m3)	PRS	50	2 of 2	41	1 of 2	55	1 of 1	55	1 of 1	9.4%	33.4%
	Regulated	422	1 of 1	422	1 of 1	164	1 of 1	164	1 of 1	-61.2%	-61.2%
	Grand Total	472	3 of 3	463	2 of 3	218	2 of 2	218	2 of 2	-53.8%	-52.9%
	% of water estimated	2%	-	2%	-	6%	-	6%	-		
Water intensity (m3)	Water intensity (m3)	0.19	3 of 3	0.18	2 of 3	0.08	2 of 2	8%	2 of 2	-55.9%	-55.0%

### Data coverage notes for owned assets:

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

**Like-for-like water:** One property was sold in 2019 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. Total Grainger obtained water has reduced over the period. This is likely due to the impact of the Covid-19 lockdown. No improvement measures have been implemented as the properties are all planned to be sold.

**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 reduced by 55%, likely due to reduced water consumption during the Covid-19 lockdown.

## 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		2019				2020				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		
GRIP REIT	Total	814		814		778		730		-4.4%	-10.3%
	Recycled	403	49%	403	49%	392	50%	364	50%	-2.7%	-9.7%
	Incineration (with and without energy recovery)	298	37%	298	37%	282	36%	268	37%	-5.4%	-10.0%
	Landfill (non hazardous)	113	14%	113	14%	105	14%	98	13%	-7.1%	-12.9%
	Hazardous Waste Treatment Facility	-	-	-	-	-	-	-	-	-	-
	% of waste estimated	100%		100%		100%		100%		0.0%	
	Coverage of applicable properties	12 of 13		12 of 13		12 of 13		10 of 13			
Grand total	Total	814		814		778		730		-4.4%	-10.3%
	Recycled	403	49%	403	49%	392	50%	364	50%	-2.7%	-9.7%
	Incineration (with and without energy recovery)	298	37%	298	37%	282	36%	268	37%	-5.4%	-10.0%
	Landfill (non hazardous)	113	14%	113	14%	105	14%	98	13%	-7.1%	-12.9%
	Hazardous Waste Treatment Facility	-	-	-	-	-	-	-	-	-	-
	% of waste estimated	100%		100%		100%		100%			
	Coverage of applicable properties	12 of 13		12 of 13		12 of 13		10 of 13			
Own office occupation	Total	7.0		7.0		5.2		5.2		-25.7%	-25.7%
	Recycled	4	57%	4	57%	2	39%	2	39%	-50.0%	-50.0%
	Incineration (with and without energy recovery)	-	-	-	-	2.7	52%	2.7	52%	-	-
	Landfill (non hazardous)	3	43%	3	43%	0.5	9%	0.5	9%	-83.3%	-83.3%
	Hazardous Waste Treatment Facility	-	-	-	-	-	-	-	-	-	-
	% of waste estimated	32%		32%		8%		8%			
	Coverage of applicable properties	3 of 5		3 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 convert the available waste data into weight. Two properties were sold within the reporting year and are excluded from like-for-like reporting. Waste weight in metric tonnes is calculated from bin volume in litres using the WRAP waste conversion factor 20 03 01 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. Because of this, there is no narrative on performance available. Food waste for five properties has been excluded because it was not possible to calculate weight from the data provided.

### Data coverage notes for occupied offices:

**Absolute and like-for-like waste:** Data was not available for the Birmingham office, the Aldershot office and the Altrincham office which closed at the end of the reporting year, which have been excluded from absolute and like-for-like reporting. There were only five employees formally based in these offices, and so waste generated is expected to be immaterial. Waste consumption reduced between 2019 and 2020 due to reduced occupation of Grainger's offices during the Covid-19 lockdowns.

## Type and number of sustainably certified assets

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

Type of certification	Name of certification	2019						2020					
		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	4,997	89%	4,997 of 5,597	2,415	86%	2,415 of 2,822	5,546	100%	5,546 of 5,567	2,396	97%	2,396 of 2,469
Voluntary certifications	Code for Sustainable Homes Level 3 / 4	338	4%	338 of 1,490	-	-	0 of 0	338	5%	338 of 834	-	-	0 of 0
Voluntary certifications	BREEAM Domestic Refurbishment Outstanding	192	2%	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 the proportion of completed developments that have attained certification is now decreasing. 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 2020 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	2019		2020	
				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	21%	79%	19%	81%
			All employees	56%	44%	56%	44%

#### 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. There were no changes to the Board of Directors in the reporting year and female representation remained at 42%, above the 33% target recommended in the Hampton-Alexander review. Grainger considers diversity to be much wider than just gender, and is taking into consideration 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. A key initiative in 2020 was the launch of our employee-led diversity and inclusion network which is open to all employees and considers all areas of diversity and inclusion. The network's objectives include raising awareness of the diverse cultural mix within Grainger's workforce and further promoting inclusion and engagement between our employees and our customers.

### Gender pay ratio

#### Gender Pay Ratio

Impact Area	EPRA Code	Units of measure		2019	2020
Employee gender pay gap	Diversity-Pay	% gender pay gap	Mean (average) percentage by which female pay is lower than male pay	31.7%	32.9%

#### Narrative on performance:

As the only Executive Directors and therefore employees of Grainger plc that sit on the Board of Directors are both women – the Chief Executive and the Chief Financial Officer – there is no applicable ratio to report for the organisation's governance bodies. For all employees, Grainger reports its gender pay gap in alignment with its voluntary reporting to the UK Government, and discloses the mean % pay gap between female and male pay.

In 2020, Grainger reported an increase in the business's mean gender pay gap of 1.2 percentage points, following a 3.8 percentage point reduction the previous year. 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. Although our female headcount has increased during the year, this has predominantly been within our lower Associate and Support level roles, thereby increasing the gap. Actions we have taken in 2020 to reduce the gap include the launch of a development programme for future female leaders.

## Employee training and development and Employee performance appraisals

### Employee Training, Development and Performance

Impact Area	EPRA Code	Units of measure	Indicator	2019	2020
Employee training and development	Emp-Training	Average number of hours	Average hours of training undertaken by employees in the reporting period	8.5 hours	11.29 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 92% participation across the year, up from 91% the previous year. Provision of training also continued to increase, with the roll-out of the Grainger Academy. The Academy is our in-house, sector leading learning and development platform which provides a range of core and function-specific training covering topics from compliance to customer service. In 2020 there were over 60 training sessions provided covering a range of topics from mental health to contractor management. We also introduced a new apprenticeship scheme and a Future Leaders Programme, designed to develop our future talent pipeline. 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	2019		2020	
				Number	Rate	Number	Rate
Employee turnover and retention	Emp-Turnover	Total number and rate	New employee hires	68	26%	40	13%
			Employee turnover	28	12%	20	8%

#### Narrative on performance:

We recruited a number of new people into the business during the year, in particular for on-site roles at our new developments with 11 recruits. Turnover remained low relative to other organisations in the sector and 42% of all permanent employees have worked for Grainger for five years or more.

## Employee health and safety

### Employee health & safety

Impact Area	EPRA Code	Units of measure	Indicator	2019	2020
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	1.04	0.84
		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. In 2020, the evolution of our Live.Safe programme continued with engagement activities involving our employees and partners and we began using the Safety Climate Tool (SCT) developed by the Health and Safety Executive to benchmark our performance on embedding health and safety into our organisational culture.

We maintained our record of no RIDDOR reportable health and safety incidents for employees. The absentee rate reduced, which may have been due to an increase in remote working during the Covid-19 lockdown.

## Asset health and safety assessments and compliance

### Asset health & safety assessments and compliance

				PRS		Regulated	
				2019	2020	2019	2020
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.

Our Live.Safe Health & Safety programme ensures health and safety compliance is integrated into all areas of Grainger's operations and in 2020, we introduced a new, comprehensive Health and Safety Management System (aligned to ISO standards) which combines policies and procedures with a programme of specific training for every Grainger employee. In response to the Covid-19 pandemic, we have carried out thorough and robust risk assessments of each of our offices and our Build-to-Rent sites. We have increased communications with our customers and adapted procedures to deal with individual circumstances.

## Community engagement, impact assessments and development programmes

### Community engagement, impact assessments and development programmes

				PRS		Regulated	
				2019	2020	2019	2020
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 2020 we significantly increased charitable fundraising to support our charity partners during the Covid-19 pandemic and our total community investment was £53,250.

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. In 2020 we undertook a review of community engagement across all stages of the development life-cycle to develop a blueprint for best practice community engagement that will be rolled out across our portfolio.

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. In 2020, we significantly increased virtual events to help keep our residents connected during the Covid-19 lockdowns and over 200 residents and community events were held across our portfolio. These included the introduction of weekly 'Wellbeing Wednesdays' with virtual yoga classes for our residents.



## Governance Performance Measures

### Composition of the highest governance body

#### Composition of the highest governance body

Impact Area	EPRA Code	Units of measure	Indicator	2019	2020
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	3 years 1 month	4 years 1 month
			Number of independent / non-executive board members with competencies relating to environmental and social topics	Reported via qualitative information on pages 50-51 in Grainger's 2019 Annual Report & Accounts	Reported via qualitative information on pages 54-55 in Grainger's 2020 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. There were no new appointments to the Board in the reporting year.

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

#### Nominating and selecting the highest governance body

Impact Area	EPRA Code	Units of measure	Indicator	2019	2020
Nominating and selecting the Board of Directors	Gov-Select	Narrative description	<p>The nomination and selection processes for the Board of Directors and its committees</p> <p>Criteria used for nominating and selecting Board members, including whether and how</p> <ul style="list-style-type: none"> <li>- Stakeholders (including shareholders) are involved</li> <li>- Diversity is considered</li> <li>- Independence is considered</li> <li>- Expertise and experience relating to economic, environmental and social topics are considered</li> </ul>	Reported in the Nominations Committee report on pages 61-62 in Grainger's 2019 Annual Report & Accounts	Reported in the Nominations Committee report on pages 66-68 in Grainger's 2020 Annual Report & Accounts

#### Narrative on performance:

When a vacancy on the Board occurs, Grainger puts together a brief of the specific expertise and experience desired for the position for the headhunting agencies used, and is mindful of the mix of expertise, and diversity of the Board in drawing up this brief. There were no appointments or nominations to the Board in 2020. Grainger continues to support the aspiration of the Hampton Alexander Review to promote greater female representation on listed company boards and during the reporting year, female representation at Board level remained at 42%, ahead of the target for FTSE 250 boards and leadership teams to achieve 33% female representation by 2020. Grainger's Nominations Committee is also considering the recommendation of the Parker Review for FTSE250 organisations to have "at least one director of colour by 2024."

## Process for managing conflicts of interest

### Process for managing conflicts of interest

Impact Area	EPRA Code	Units of measure	Indicator	2019	2020
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> <p>Should any conflict of interest be identified, it would be disclosed to stakeholders in Grainger's Annual Report &amp; Accounts.</p>	
			Whether conflicts of interest are disclosed to stakeholders, including:	<p>Should any conflict of interest be identified, it would be disclosed to stakeholders in Grainger's Annual Report &amp; Accounts.</p>	
			<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>Grainger discloses information on individual members of the Board of Directors on pages 50-51 of the 2019 Annual Report &amp; Accounts. This includes their previous experience and qualifications, and other appointments and directorships. Directors' shareholdings and share interests are reported on page 84. Any Directors' interests in significant contracts are disclosed in the Directors' report on page 91 - in 2019 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 60 in the Annual Report &amp; Accounts. Related party transactions are reported on page 147.</p>	
				<p>Grainger discloses information on individual members of the Board of Directors on pages 54-55 of the 2020 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 86-87. Any Directors' interests in significant contracts are disclosed in the Directors' report on page 93 - in 2020 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 62 in the Annual Report &amp; Accounts. Related party transactions are reported on page 148.</p>	

### Narrative on performance:

No conflicts of interest were identified in either year.