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grainger plc

**EPRA  
Sustainability  
Performance  
Measures  
2021**





## EPRA Sustainability Performance Measures

This report covers EPRA Sustainability Performance Measures for the period 1st October 2020 - 30th September 2021, based on the third version of the EPRA Sustainability Best Practices Recommendations Guidelines (2017).

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

### Environmental Sustainability Performance Measures

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

#### Environmental Sustainability Performance Measures compliance table

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

<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 2021.

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 2019 - 30<sup>th</sup> September 2021. Any exclusions from absolute and like for like measures have been reported in the data notes accompanying the EPRA tables.

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

## Social and Governance Sustainability Performance Measures

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

### Social and Governance Performance Measures compliance table

EPRA Sustainability Performance Measure		Corporate	Assets			Where measure is reported
			PRS assets	Regulated assets	Own office occupation	Pages
SOCIAL PERFORMANCE MEASURES						
Diversity-Emp	Employee gender diversity	✓	N/A	N/A	N/A	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
GOVERNANCE PERFORMANCE MEASURES						
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 2021 and reported in April 2022.

<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 £2,965 million. We include assets owned within a Joint Venture which are within Grainger's operational control. Data is reported for our property investment portfolio and separately for our own occupied offices.

### Coverage

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

### Estimation of landlord-obtained utility consumption

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

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

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

The proportion of data that was estimated in 2020 and 2021 was higher than typically required, due to the impact of the Covid-19 pandemic which prevented site visits being undertaken to obtain actual meter readings.

### Third party assurance

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

### Boundaries – reporting on landlord and tenant consumption

Grainger only reports on landlord-obtained energy, water and waste consumption, and includes electricity provided by our landlord on a non-submetered basis for our London Bridge office. Data on tenant consumption is not available due to data privacy requirements, however we report estimated tenant carbon dioxide emissions in our Streamlined Energy and Carbon Report in our Annual Report and Accounts.

### Normalisation

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

### Segmental analysis

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

## Disclosure on own offices

Disclosure on performance for our office occupation is reported separately. Grainger has five offices, two multi-occupied offices where Grainger is a tenant and three where it is the landlord. One office (Salford) opened at the start of the financial year. 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:

**2021:** 1<sup>st</sup> October 2020 - 30<sup>th</sup> September 2021

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

## Restatements

We have recalculated all 2020 energy data to improve the accuracy of reporting, taking into account data received in 2021 for consumption that took place in 2020.

## 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 and we have set long-term commitments in each of these areas – for more information please refer to Grainger's website at:

<https://corporate.graingerplc.co.uk/responsibility>

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.

## 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)			2020				2021				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	295,458	12 of 12	272,741	5 of 5	292,038	12 of 12	250,901	5 of 5	-1%	-8%
		Total electricity provided (on a non-submetered basis) to Grainger by its landlord	215,620	8 of 8	215,620	8 of 8	210,584	8 of 8	210,584	8 of 8	-2%	-2%
		Proportion of electricity from renewable sources	-	-	-	-	-	-	-	-	-	-
Fuels-Abs, Fuels-LfL		Total energy consumption from fuels submetered to Grainger by its landlord	204,774	2 of 2	204,774	2 of 2	223,356	2 of 2	223,356	2 of 2	9%	9%
		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)	918	22 of 22	847	15 of 15	907	22 of 22	779	15 of 15	-1%	-8%
Estimation		% of energy and associated GHG estimated	0.2%	-	0.1%	-	5%	-	3%		-	

Absolute GHG emissions for Own Office Occupation (tonnes CO2e)			2020		2021		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)	37	2 of 2	40	2 of 2	9%
GHG-Indir-Abs		Total indirect GHG emissions (GHG Protocol Scope 2)	119	20 of 20	107	20 of 20	-10%
		Total indirect GHG emissions (GHG Protocol Scope 3)	21	22 of 22	31	22 of 22	45%
GHG-Int		Building GHG Intensity (GHG Protocol Scopes 1 and 2) (kg CO2e per employee per year)	512	-	455	-	-11%

#### 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 energy and GHG figures reported. Grainger's Altrincham office closed at the end of the 2020 reporting year and a new office opened in Salford during 2021. These offices have been excluded from the like-for-like figures.

Electricity obtained by the landlord but consumed by Grainger on a non-submetered basis at its London Bridge office is reported however this data is not available for the other office where Grainger's landlord procures energy for central plant. This data is not reported within the scope 3 emissions which relate to electricity transmission and distribution including well-to-tank emissions.

Just 5% of energy and associated GHG emissions have been estimated this year. In addition, the recalculation of 2020 emissions has reduced estimation from 23% to below 1% 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 and by Grainger directly where it is the landlord. The intensity figure excludes emissions from 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 across the occupied offices portfolio has stayed largely consistent, with reduced occupation of our offices during the lockdowns related to the Covid-19 pandemic occurring during both years. Scope 2 emissions have decreased by 10% from the previous year, due to the reduction in the BEIS location-based electricity emissions factor between 2021 and 2020.

Fuel - Total fuel usage and Scope 1 emissions have increased by 9%. This can be attributed to increased fuel use during April-June 2021, during which temperatures were 2-4°C colder than the same period in 2020, resulting in 59% more fuel use. This may also have been impacted by increased office occupation relative to the same period the previous year, when a lockdown was in place.

Scope 3 - Emissions from WTT and T&D have increased by 45% year on year. This is fundamentally due to the increase in the Natural Gas WTT factor (by 32%) and Electricity WTT Factor (77%) published by BEIS in 2021, when compared to the previous year.

Like-for-like performance follows a similar trend as absolute performance due to all the large occupied offices being included in the analysis. The reduction in electricity use is more pronounced in the like-for-like reporting as the absolute reduction includes the Salford office which opened in the year and consumes more electricity than the Altrincham office which it replaced. This is because the office is located within a Grainger asset and all energy is purchased by Grainger as the landlord whereas the Altrincham office also had central plant which was excluded from reporting.

**Energy and GHG emissions intensity:** Energy intensity and GHG emissions intensity have decreased due to the small reductions in electricity use and in GHG emissions, combined with growth in employee numbers.



## 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 2020 to 30 September 2021.

Absolute and like-for-like energy and Building Energy Intensity for owned assets (kWh)			2020				2021				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	2,451,863	281 of 281	2,122,815	195 of 195	2,735,100	281 of 281	2,109,093	195 of 195	12%	-1%
		Proportion of electricity from renewable sources	48%	-	49%	-	65%	-	67%	-		
		% of electricity estimated	7%	-	8%	-	14%	-	13%	-		
Grainger obtained District Heat		17,070	2 of 2	17,070		25,979	2 of 2	25,979		52%	52%	
Proportion of district heat from renewable sources		n/a		n/a		n/a		n/a				
% of district heat estimated		0%		0%		21%		21%				
Total energy consumption from Grainger obtained fuels (natural gas and biomass)		2,356,020	11 of 12	2,355,684	8 of 8	2,227,163	10 of 12	2,226,858	8 of 8	-5%	-5%	
Proportion of fuels from renewable sources		-	-	-	-	-	-	-	-			
% of fuels estimated		0%	-	0%	-	1%	-	1%	-			
Elec-Abs, Elec-LfL	Regulated	Grainger obtained electricity	848,206	183 of 183	724,452	126 of 126	808,820	183 of 183	740,619	126 of 126	-5%	2%
		Proportion of electricity from renewable sources	70%	-	73%	-	95%	-	95%	-		
		% of electricity estimated	5%	-	4%	-	41%	-	44%	-		
Total energy consumption from Grainger obtained fuels (natural gas and biomass)		3,916,602	8 of 9	3,638,265	6 of 7	4,011,641	9 of 9	3,751,317	7 of 7	2%	3%	
Proportion of fuels from renewable sources		-	-	-	-	-	-	-	-			
% of fuels estimated		21%	-	21%	-	47%	-	51%	-			
Elec-Abs, Elec-LfL	Grand Total	Grainger obtained electricity	3,300,068	464 of 464	2,847,267	321 of 321	3,543,920	464 of 464	2,849,712	321 of 321	7%	0%
		Proportion of electricity from renewable sources	53%	-	55%	-	72%	-	74%	-		
		% of electricity estimated	6%	-	7%	-	20%	-	21%	-		
Total energy consumption from Grainger obtained fuels (natural gas and biomass)		6,272,622	19 of 21	5,993,949	14 of 15	6,238,804	19 of 21	5,978,176	15 of 15	-1%	0%	
Proportion of fuels from renewable sources		-	-	-	-	-	-	-	-			
% of fuels estimated		13%	-	12%	-	31%	-	32%	-			
Energy - Int	Energy Intensity	Building Energy Intensity for all Grainger-obtained building energy kWh per £m value of assets under management / year	3,451	-	-	-	3,182	-	-	-	-8%	

Absolute GHG emissions and GHG intensity for owned assets (tonnes CO2e)			2020		2021		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)	252	11 of 12	242	10 of 12	-4%
GHG-Indir-Abs		Total indirect GHG emissions (GHG Protocol Scope 2)	572	281 of 281	581	281 of 281	2%
		Total indirect GHG emissions (GHG Protocol Scope 3)	124	281 of 281	138	281 of 281	11%
GHG-Dir-Abs	Regulated	Total direct GHG emissions (GHG Protocol Scope 1)	701	8 of 9	717	9 of 9	2%
GHG-Indir-Abs		Total indirect GHG emissions (GHG Protocol Scope 2)	198	183 of 183	172	183 of 183	-13%
		Total indirect GHG emissions (GHG Protocol Scope 3)	104	183 of 183	137	183 of 183	31%
GHG-Dir-Abs	Grand Total	Total direct GHG emissions (GHG Protocol Scope 1)	953	19 of 21	960	19 of 21	1%
GHG-Indir-Abs		Total indirect GHG emissions (GHG Protocol Scope 2)	769	464 of 464	752	464 of 464	-2%
		Total indirect GHG emissions (GHG Protocol Scope 3)	228	464 of 464	275	464 of 464	20%
Estimation		% of GHG estimated	12%	-	30%	-	-
GHG-Int	Grand Total	GHG intensity for all Grainger obtained building energy (Scopes 1 and 2) kg Co2e per £m value of assets under management / year	647	-	572	-	-12%

### **Data coverage notes for owned assets:**

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

Fuel - We have been able to report fuels and scope 1 GHG emissions for 14 of the 16 properties (19 out of 21 meters) for which we purchase fuels. Two sites were missing due to lag time between Grainger's acquisition of the property and utility contracts being set up and challenges obtaining readings due to Covid-19 lockdowns.

Electricity - We have been able to report electricity and scope 2 GHG emissions data for every property, across 464 meters.

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

**Like-for-like energy:** We have been able to report like-for-like energy performance for all applicable properties which have been owned and operated by Grainger for the complete 24 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 2021 [Annual Report](#) (see page 100).

### **Narrative on performance:**

**Absolute energy:** Total Grainger obtained electricity for PRS properties has increased by 12%. This is due to acquisitions and increased occupation of new Build-to-Rent properties which have larger common parts and consume more energy. Consumption at stabilised PRS assets reduced due to our ongoing refurbishment programme. The percentage of renewable electricity purchased increased as more properties were transferred onto Grainger's central renewable electricity contract. Grainger obtained natural gas consumption for PRS properties has decreased by 5%, however, use of district heat has increased by 52% due to increased occupancy and use of communal heating during the pandemic. Grainger obtained electricity for regulated properties has remained relatively stable and reduced by 5%, and Grainger obtained fuels consumption for regulated properties has increased by 2%. This increase is due to increased occupation and use of communal heating during the pandemic, which was partially offset by the sale of some properties with gas during the reporting period.

**Absolute GHG emissions:** Grainger obtained Scope 1 GHG emissions remained stable, with an increase of just 1%. Grainger obtained Scope 2 emissions slightly decreased by 2%, however, for market-based emissions this figure is much larger as more sites have been placed on renewable energy tariffs. Despite this, Scope 3 emissions have increased overall by 20%, the reason being the increase in the Natural Gas WTT factor (by 32%) and Electricity WTT Factor (77%) published by BEIS in 2021, when compared to the previous year.

**Like-for-like energy:** This comparison shows that energy consumption has remained consistent year on year, with a slight increase of 0.1% in electricity consumption and a decrease of 0.3% in fuel consumption. Common parts refurbishments undertaken previously have delivered significant energy savings at stabilised individual assets of up to 50%, however electricity consumption was impacted by the increased occupation of properties acquired in the previous years, and gas consumption was affected by increased occupancy and use of heating during 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 has decreased by 12%, due to the company's strategy to sell non-core less efficient assets and invest in more efficient, higher value Build-to-Rent assets.

## 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		2020				2021				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	55	1 of 1	0	0 of 0	20	1 of 1	0	0 of 0	-63.2%	-
	Regulated	164	1 of 1	164	1 of 1	487	1 of 1	487	1 of 1	197.0%	197.0%
	Grand Total	219	2 of 2	164	1 of 2	507	2 of 2	487	1 of 2	131.9%	197.0%
	% of water estimated	0%	-	0%	-	0%	-	0%	-	-	-
Water intensity (m3)	Water intensity (m3)	0.07	2 of 2	0.05	1 of 2	0.17	2 of 2	16%	1 of 2	131.9%	197.0%

### Data coverage notes for owned assets:

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

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

### Narrative on performance:

**Absolute and like-for-like water:** All water is municipal potable water discharged from taps in the communal areas of Grainger properties. There is minimal landlord obtained water across Grainger's portfolio and as the business does not operate in water-stressed locations, water consumption is not considered material. No improvement measures have been implemented as the properties are all planned to be sold.

Grainger obtained water has increased during this period, which is due to the increase in the one Regulated property consuming water - the reason for which is likely due to increased occupancy within the building during the covid-19 pandemic.

**Water intensity:** We have used the market value of assets under management as our main intensity Performance Measure as this is also what we use to measure our business efficiency KPI as reported in our Strategic report. Grainger's water intensity has increased over the two years which is likely due to increased occupation during the covid-19 pandemic, however due to the limited number of relevant properties this does not represent a significant change.



## 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		2020				2021				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	778.4		736		750		750		-3.7%	1.8%
	Recycled	391.6	50%	365	47%	369	49%	369	49%	-5.8%	0.9%
	Incineration (with and without energy recovery)	281.6	36%	271	35%	278	37%	278	37%	-1.3%	2.5%
	Landfill (non hazardous)	105.2	14%	100	13%	103	14%	103	14%	-1.8%	3.4%
	Hazardous Waste Treatment Facility	-	-	-	-	-	-	-	-	-	-
	% of waste estimated	100%		100%		100%		100%		-	-
	Coverage of applicable properties	12 of 13		10 of 10		11 of 12		10 of 10			
Grand total	Total	778.4		736		750		750		-3.7%	1.8%
	Recycled	391.6	50%	365	47%	369	49%	369	49%	-5.8%	0.9%
	Incineration (with and without energy recovery)	281.6	36%	271	35%	278	37%	278	37%	-1.3%	2.5%
	Landfill (non hazardous)	105.2	14%	100	13%	103	14%	103	14%	-1.8%	3.4%
	Hazardous Waste Treatment Facility	-	-	-	-	-	-	-	-	-	-
	% of waste estimated	100%		100%		100%		100%		-	-
	Coverage of applicable properties	12 of 13		11 of 11		11 of 12		11 of 11			
Own office occupation	Total	34.5		34		28.1		28		-18.5%	-18.5%
	Recycled	15	43%	15	43%	9.3	33%	9	33%	-36.7%	-36.7%
	Incineration (with and without energy recovery)	20	57%	20	57%	18.7	66%	19	66%	-5.6%	-5.6%
	Landfill (non hazardous)	0	0%	0	0%	0.1	0%	0.123	0%	-	-
	Hazardous Waste Treatment Facility	-	-	-	-	-	-	-	-	-	-
	% of waste estimated	8%		8%		3%		3%		-	-
	Coverage of applicable properties	2 of 5		2 of 5		2 of 5		2 of 5			

### Data coverage notes for owned assets:

**Absolute and like-for-like waste:** Waste data is gathered for all properties in the portfolio where Grainger has waste management contracts in place, excluding Bethnal Green where it was not possible to convert the available waste data into weight. One property was sold within the previous reporting year and one property was not within Grainger's control for the full two year period, and these properties 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 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 Salford office which opened in the reporting year, and these properties have been excluded from absolute and like-for-like reporting. There were only a small number of employees formally based in these offices, and occupation was low during the pandemic, and so waste generated is expected to be immaterial. Waste consumption reduced between 2020 and 2021, likely due to a larger proportion of the year being taken up by mandated working from home.

## Type and number of sustainably certified assets

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

Type of certification	Name of certification	2020						2021					
		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	5,546	100%	5,546 of 5,567	2,396	97%	2,396 of 2,469	6,757	100%	6,757 of 6,764	2,061	98%	2,061 of 2,100
Voluntary certifications	Code for Sustainable Homes Level 3 / 4	338	5%	338 of 834	-	-	0 of 0	338	5%	338 of 1483	-	-	0 of 0
Voluntary certifications	BREEAM Domestic Refurbishment Outstanding	192	3%	192 of 192	-	-	0 of 0	192	3%	192 of 192	-	-	0 of 0

### Data coverage notes

Mandatory certifications are EU energy performance certificates, which are not mandatory for all of Grainger's properties because they are only mandatory for buildings which are marketed or sold, or those that have been recently constructed. Coverage of certificates for Grainger's portfolio has increased significantly due to a strategy to increase coverage of certifications prior to the application of Minimum Energy Efficiency Regulations 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 and 2021 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	2020		2021	
				Female	Male	Female	Male
Employee gender diversity	Diversity-Emp	% of male & female employees	Employees in the organisation's Board of Directors	42%	58%	29%	71%
			Employees in the organisation's senior management	19%	81%	20%	80%
			All employees	56%	44%	55%	45%

#### Narrative on performance:

Grainger believes that a diverse perspective is key to success, and supports the aspiration of the Hampton Alexander Review to promote greater female representation on listed-company boards and in senior leadership teams. One female Board member left during the year and female representation dropped temporarily below the recommended 33% target in the Hampton-Alexander review as a result. A new female Non-Executive Director joined the Board on the first day of the 2022 financial year and therefore representation has been re-established 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. In 2021 our employee-led Diversity & Inclusion Network continued to progress, with a range of diversity campaigns held for our employees and our customers. More information is provided in our [2021 Annual Report](#) (see page 40).

### Gender pay ratio

#### Gender Pay Ratio

Impact Area	EPRA Code	Units of measure		2020	2021
Employee gender pay gap	Diversity-Pay	% gender pay gap	Mean (average) percentage by which female pay is lower than male pay	32.9%	40.1%
			Median (average) percentage by which female pay is lower than male pay	45.1%	40.3%

#### Narrative on performance:

Previously both Executive Directors and therefore employees of Grainger plc that sit on the Board of Directors were women – the Chief Executive and the Chief Financial Officer, and it was not applicable to report a ratio for the organisation's governance bodies. During 2021, a new male Chief Financial Officer was appointed and this ratio will be reported in future years. 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.

In 2021, Grainger reported a reduction in the business's median gender pay gap, but an increase in the mean. 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. In 2021, the mean figure was impacted by the appointment of three males into senior positions in the period. 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	2020	2021
Employee training and development	Emp-Training	Average number of hours	Average hours of training undertaken by employees in the reporting period	11.29 hours	16.27 hours
Employee performance appraisals	Emp-Dev	% of total workforce	% of total employees who received regular performance and career development reviews during the reporting period	100%	100%

#### Narrative on performance:

Participation in the company's learning and development programme remained high with a significant increase in the number of hours of training undertaken by each employee. During the covid-19 pandemic, training was a particular focus for the business and we provided increased virtual training. Topics covered in training sessions included mental health first aid, flexible management, and diversity and inclusion. Twenty employees completed a comprehensive training programme as part of Grainger's Future Leaders programme with sessions including confidence and board readiness.

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	2020		2021	
				Number	Rate	Number	Rate
Employee turnover and retention	Emp-Turnover	Total number and rate	New employee hires	40	13%	56	17%
			Employee turnover	20	8%	39	13%

#### 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. Turnover remained low relative to other organisations in the sector and 39% 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	2020	2021
Employee health and safety	H&S-Emp	Per 100,000 hours worked	Injury rate	0.00	0.00
			Lost day rate	0.00	0.00
		Days per employee	Absentee rate	0.84	0.86
		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 2021, we introduced bespoke behavioural health and safety training which is being provided to all Grainger employees. We continued to use 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, with our performance improving in 2021 compared to 2020 and we outperform our peer group in six out of eight categories.

We maintained our record of no RIDDOR reportable health and safety incidents for employees. The absentee rate remained low, which was likely influenced by increased remote working during the Covid-19 pandemic.

## Asset health and safety assessments and compliance

### Asset health & safety assessments and compliance

				PRS		Regulated	
				2020	2021	2020	2021
Asset health and safety assessments	H&S-Assets	% of assets	% of assets for which H&S impacts are assessed or reviewed	100%	100%	100%	100%
Asset health and safety compliance	H&S-Comp	Total number	Number of incidents of non-compliance with regulations and/or voluntary standards	0	0	0	0

### Narrative on performance:

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

Our Live.Safe Health & Safety programme ensures health and safety compliance is integrated into all areas of Grainger's operations and our comprehensive Health and Safety Management System (aligned to ISO standards) combines policies and procedures with a programme of specific training for every Grainger employee. In 2021, we introduced a new streamlined accident reporting procedure and a new incident system embedded in our technology transformation programme. 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 which are regularly reviewed and updated.

## Community engagement, impact assessments and development programmes

### Community engagement, impact assessments and development programmes

				PRS		Regulated	
				2020	2021	2020	2021
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 2021 we significantly increased charitable fundraising to support our charity partners during the Covid-19 pandemic and our total community investment was £56,400. A highlight from the year was becoming a Founding Partner of the LandAid First Steps campaign to provide emergency accommodation to help young people take the first steps out of homelessness.

Community engagement activities are undertaken on key assets and development sites where we have operational control and we undertake community engagement through a variety of means including focus groups, organised events, online consultation platforms, regular newsletters and direct communications with local stakeholders. Grainger has developed our best practice Blueprint for Community Engagement, which sets out a leading approach to link up community engagement at all stages in the development of a new building from planning to operation. In 2021 we rolled out the implementation of our Blueprint to ensure we are fostering strong relationships between our residents and the local community. Examples of activity on our operational portfolio include a programme of events for residents and local community stakeholders, and arranging partnerships with local businesses to encourage residents to shop locally and support local businesses during the pandemic.

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 2021, we significantly increased virtual events to help keep our residents connected during the Covid-19 lockdowns and over 550 residents and community events were held across our portfolio. These included wellbeing themed events including a wellness placemaking event at Clippers Quay. For more information refer to our [2021 Annual Report](#) (see page 27).



## Governance Performance Measures

### Composition of the highest governance body

#### Composition of the highest governance body

Impact Area	EPRA Code	Units of measure	Indicator	2020	2021
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 1 month	4 years 3 months
			Number of independent / non-executive board members with competencies relating to environmental and social topics	Reported via qualitative information on pages 54-55 in Grainger's 2020 Annual Report & Accounts	Reported via qualitative information on pages 56-57 in Grainger's 2021 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. A new Non-Executive Director was appointed at the start of the 2022 financial year to chair a new Board Responsible Business Committee, which will be reported on in our 2022 EPRA Sustainability Report.

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

#### Nominating and selecting the highest governance body

Impact Area	EPRA Code	Units of measure	Indicator	2020	2021
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 66-68 in Grainger's 2020 Annual Report & Accounts	Reported in the Nominations Committee report on pages 68-71 in Grainger's 2021 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. In 2021 Grainger recruited for a new Non-Executive Director with expertise related to environmental and social topics. Diversity was a key consideration in the search and was incorporated into the brief for headhunting agencies. Grainger supports the aspiration of the Hampton Alexander Review to promote greater female representation on listed company boards and the Parker Review recommendation for all FTSE250 organisations to have at least one director of colour by 2024. During 2021, female representation at Board level temporarily fell below the 33% recommended level due to the departure of one female Executive Director. On the first day of the 2022 financial year, representation was re-established at above 33% following the appointment of a new female Non-Executive Director.

## Process for managing conflicts of interest

### Process for managing conflicts of interest

Impact Area	EPRA Code	Units of measure	Indicator	2020	2021
			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>	
Process for managing conflicts of interest	Gov-Col	Narrative description	<p>Whether conflicts of interest are disclosed to stakeholders, including:</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>Should any conflict of interest be identified, it would be disclosed to stakeholders in Grainger's Annual Report &amp; Accounts. In 2020 there were no conflicts of interest identified.</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>	<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 99 in the 2021 Annual Report &amp; Accounts under Directors' conflicts of interest.</p> <p>Grainger discloses information on individual members of the Board of Directors on pages 56-57 of the 2021 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 92-93. Any Directors' interests in significant contracts are disclosed in the Directors' report on page 99 - in 2021 there were no material interests to disclose.</p> <p>There is no controlling shareholder in Grainger plc. Substantial shareholdings in the organisation are disclosed on page 64 in the Annual Report &amp; Accounts. Related party transactions are reported on page 154.</p>

### Narrative on performance:

In 2021 a possible conflict of interest was identified related to a Non-Executive Director's position as Chief Executive Officer at a real estate investment fund looking to invest in the same market as Grainger. A resolution was agreed to ensure compliance with the Companies Act, the Grainger Articles of Association and the Corporate Governance Code. Full details of this conflict are reported on page 99 in the 2021 Annual Report & Accounts. There were no conflicts identified in 2020.