



# Annual Environmental Data 2013

In addition to the information contained in this Annual Environmental Data document, you can download our Annual Review 2013 to explore our progress during the year.



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## INTRODUCTION

Given that buildings account for just under half of the entire world's total primary energy consumption, it is important that we reduce this impact. By improving the environmental performance of our existing and future assets, we can also enhance the long-term value of our property portfolio, reduce the risk of obsolescence and enable compliance with incoming legislation. Furthermore, as awareness in this field rises, making environmental responsibility integral to our business will help keep us a partner and employer of choice.

Here is our governance structure for our environmental performance:

### **Group Chief Executive + Group Board**

Sets the Group's environmental strategy in line with the objectives of The Trustees of the Grosvenor Estate.

### **Group Sustainability Director + executive sponsors**

The Group Sustainability Director makes recommendations to the Group Executive Committee and the Group Board and leads centrally. The executive sponsors for each Operating Company lead the strategy locally and put forward strategy proposals to their respective boards. They also chair the Sustainability Committee in each operating company.

### **Sustainability Leaders (senior staff at each operating company)**

Manage the implementation of the strategy and put forward project proposals. Work locally with teams to engage staff and bring about behavioural change.

### **Project and Technical Directors**

Manage and implement projects, putting forward technical solutions suitable for each project. Job roles range from Development Director and Portfolio Director to Fund Manager.

### **Grosvenor staff**

Support and contribute towards the environmental strategy by suggesting improvements and taking individual responsibility for reducing our environmental footprints through their approach to day-to-day business.

## DIRECTLY-MANAGED PROPERTIES CARBON EMISSIONS

### Carbon emissions

In 2013 we reduced our like-for-like footprint for the fourth consecutive year.

Performance in focus	Absolute carbon emissions (tCO <sub>2</sub> e)					Like for-like-carbon emissions (tCO <sub>2</sub> e)			
	2012 tCO <sub>2</sub> e	2012 Properties	2013 tCO <sub>2</sub> e	2013 Properties	Change %	2012 tCO <sub>2</sub> e	2013 tCO <sub>2</sub> e	2013 Properties	Change %
Grosvenor Britain & Ireland	9,419	240	8,222	223	-13%	6,321	6,246	168	-1%
Grosvenor Americas	14,634	55	14,120	43	-4%	12,453	11,511	36	-8%
Grosvenor Asia Pacific	2,581	7	2,570	6	-0.4%	1,973	2,232	3	13%
Grosvenor Fund Management	56,353	88	41,006	95	-27%	35,084	35,128	31	0.1%
<b>Grosvenor Group total</b>	<b>84,120</b>	<b>390</b>	<b>67,147</b>	<b>367</b>	<b>-20%</b>	<b>55,831</b>	<b>55,117</b>	<b>238</b>	<b>-1.3%</b>



#### Notes:

- **Scope 1:** Direct emissions from sources owned or controlled by Grosvenor. This includes gas boilers and Grosvenor-owned vehicles.
- **Scope 2:** Indirect emissions from purchased electricity and district heating. These emissions are considered indirect because the emissions physically occur at the point of electricity production.
- **Scope 3:** Other indirect emissions. This includes emissions from energy that is exclusively sub-metered to tenants, electricity and district heat and steam transmission and distribution losses and emissions from other company activities within the organisational boundary, such as from business travel.

### What we said we would do

Continue to reduce carbon emissions across our directly managed portfolio.

### What we did

Our 'like-for-like' portfolio, meaning the operational consumption of the properties we held in both 2012 and 2013, saw a -1.3% reduction in their carbon emissions.

Our absolute, or total, carbon emissions decreased 20% in 2013 due to a reduction in our number of properties under direct management.

Grosvenor Britain & Ireland switched the energy supplied to our directly managed properties under held ownership from the standard national grid mix to hydropower and wind through our new partnership with The CoOperative Group. Although this is not reflected in the results, in line with the 'GHG Protocol' calculation method that we follow, we are supporting the generation of 'deep green' energy.

Increased footfall at Grosvenor Asia Pacific's Dotonbori retail centre in Japan explains the higher energy consumption across their relatively small portfolio of directly managed properties.

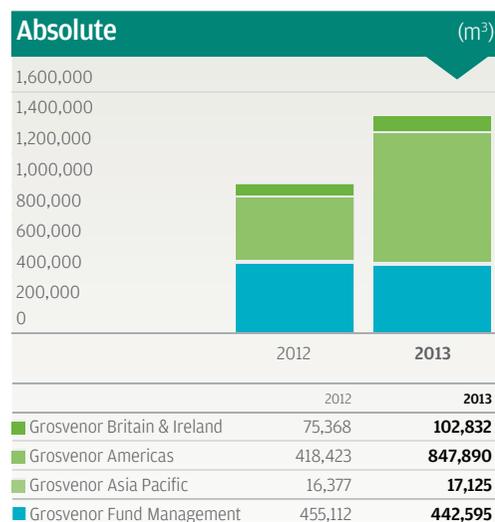
In 2013 our business travel amounted to 1,200 tCO<sub>2</sub>e, which is 7.5% of our 'scope 3' emissions and 2% of our total absolute emissions. As an international business we make use of video conference calls as much as possible and in 2013 we had 21 facilities across our 17 offices.

## DIRECTLY-MANAGED PROPERTIES WATER CONSUMPTION

### Water consumption

In 2013 we also reduced our like-for-like footprint for the fourth consecutive year.

Performance in focus	Absolute water consumption					Like for-like-water consumption			
	2012 m <sup>3</sup>	2012 Properties	2013 m <sup>3</sup>	2013 Properties	Change %	2012 m <sup>3</sup>	2013 m <sup>3</sup>	2013 Properties	Change %
Grosvenor Britain & Ireland	75,368	66	102,832	70	36%	59,728	52,626	38	-12%
Grosvenor Americas	418,432	77	874,890	52	103%	322,324	309,329	45	-4%
Grosvenor Asia Pacific	16,377	7	17,125	6	5%	14,011	16,008	3	14%
Grosvenor Fund Management	455,112	86	442,595	70	-3%	289,988	287,015	34	-1%
<b>Grosvenor Group total</b>	<b>965,280</b>	<b>236</b>	<b>1,410,442</b>	<b>198</b>	<b>46%</b>	<b>686,052</b>	<b>664,979</b>	<b>120</b>	<b>-3%</b>



### What we said we would do

Continue to reduce water consumption across our directly managed portfolio.

### What we did

Our like-for-like water consumption decreased, showing active management of our properties that we held in both 2012 and 2013. For example Broadmead Village shopping centre, Saanich, Canada, reduced its water consumption 17% in 2013 due to installation of water efficient appliances.

Our absolute water consumption increased due to the changing assets within our global portfolio, particularly in Grosvenor Americas. The drier summer in North America in 2013 helps explain the increased absolute footprint, outweighing the reduction in number of properties.

The number of Grosvenor Britain & Ireland properties reporting water data increased to 70 leading to a 26% increase in overall water consumption but on a like-for-like basis their usage decreased by 12% showing the benefit of active water conservation.

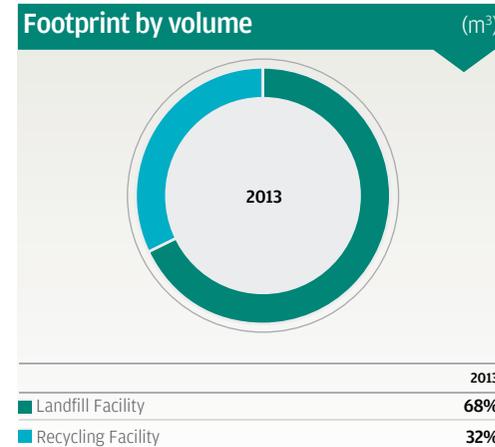
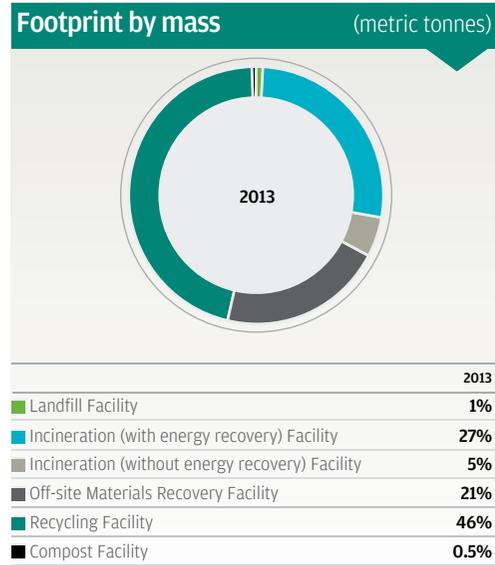
Water consumption increased slightly for Grosvenor Asia Pacific's three properties that remained in the portfolio between 2012-13. This was predominantly driven by post-earthquake maintenance work at Grosvenor Place Kamizonocho, Tokyo, Japan, and increased footfall at the Dotonbori shopping centre in Osaka, Japan.

**DIRECTLY-MANAGED  
PROPERTIES**  
**WASTE DISPOSAL**

Waste disposal

In 2013 we improved our waste recycling in our occupied offices.

Performance in focus	Footprint by mass			Footprint by volume		
	2013 Footprint mass (metric tonnes)	2013 Properties	2013 Waste diverted from landfill (mass)	2013 Waste Footprint - volume m <sup>3</sup>	2013 Properties	2013 Waste diverted from landfill (volume)
Grosvenor Britain & Ireland	80	1	100%	0	0	0
Grosvenor Americas	163	2	68%	11,082	13	32%
Grosvenor Asia Pacific	244	2	100%	0	0	0
Grosvenor Fund Management	4,102	16	100%	0	0	0
Grosvenor Group total	4,590	21	99%	11,082	13	32%



**What we said we would do**

Minimise our waste sent to landfill across our directly managed portfolio.

**What we did**

We diverted 99% of waste measured by mass from landfill, meaning it was recycled, reused, or incinerated to generate energy for properties where our waste disposal is measured by mass. Thirteen of our Grosvenor Americas properties report waste disposal by volume. For these properties 32% is sent for recycling.

All our 17 offices worldwide that we occupy have a recycling system in place. However, tracking our waste footprint remains a challenge especially when outside our direct management. We do not manage waste disposal for all our properties that we procure energy and water utilities for, therefore our results cover a smaller number of properties. For 2013 we report on waste disposal for 28 properties, compared to 25 in 2012. Alike to carbon and water, we currently track the data for our properties in operation rather than during construction and demolition. Therefore working closely with tenants and our suppliers to encourage them to recycle, reuse and reduce their waste is a key part of our strategy.

## METHODOLOGY

### Methodology

This 'Annual Environmental Data 2013' document reports on Grosvenor's carbon emissions and energy, water and waste for the period 1st January to 31st December 2013. We have restated previously published 2012 data because we now have a more complete data set for that period and because the UK DEFRA guidance on greenhouse gas reporting has been updated. We aim to include data from all investment assets that we directly own or manage and have procurement responsibility for utilities and/or waste collection. We have also included the utilities or waste data, where known, from our leased occupied offices, although these assets are not included in the like-for-like analysis. The exception is 70 Grosvenor Street, London, which we occupy and partly own. We have excluded all assets in our indirect investment portfolio.

We collect data from our property managers and, whilst we provide them with training, we are reliant upon them for completeness and accuracy of this data. Our data is hosted on JLL's online database and they undertake further checking for data completeness and accuracy. Where we have been unable to collect data we have applied estimations using a robust, replicable estimation methodology and have stated where estimations have been made.

#### Carbon

Our footprint is calculated by JLL according to the principles of the Greenhouse Gas Protocol. The GHG Protocol defined organisational boundary has been determined using the 'operational control' approach and therefore only includes emissions within our direct control. The carbon footprint covers the GHG Protocol defined scopes outlined on page 2.

Where we purchase energy as the landlord and recharge it to our tenants on a non-metered basis, we have reported this as part of our own scope 1 or 2 emissions. Where we have the ability to sub-meter tenant consumption we have reported this as scope 3 in line with EPRA guidelines and Appendix F of the GHG Protocol. Business travel is recorded as part of scope 3.

The footprint is reported against a baseline year of 2012 in absolute terms and on a like-for-like basis.

#### Absolute carbon emissions

This is the total emissions from the activities under our control in the buildings which we directly manage or own, emissions from our corporate offices and emissions from business-related travel.

All directly-managed properties are included in this analysis, irrespective of when they entered or exited the portfolio, except for four properties where data quality was a concern. Where data was missing we applied a consistent estimation methodology. If insufficient data was available for estimation we excluded the property from the analysis. This year we were able to report on the absolute data of 367 properties, with 8% of the total emissions estimated.

#### Like-for-like carbon

The like-for-like analysis uses a consistent portfolio approach, which includes only those directly-managed properties that were in the portfolio for the duration of both 2012 and 2013. It therefore allows us to compare the same group of properties year-on-year. Four properties for which we do not have sufficient data for either 2012 or 2013 have been excluded from this analysis. This measure excludes business travel, emissions from Grosvenor's own offices (with the exception of 70 Grosvenor Street which we partly own), properties under development and any assets for which the data quality was in question. This year, 238 assets are included in this analysis. For the three year cost calculation, the UK average energy price was used to convert the tonnes saved over three years for 218 properties into GBP.

#### Water

Arrangements for water provision vary across the regions in which we operate. Tenants are responsible for obtaining water for the whole building in many instances, and therefore these properties have been omitted from our total water footprint. The automated infrastructure around water metering lags that of energy, so while we endeavour to itemise only that which we, as the landlord, use for common parts, it is often not possible to do so. Grosvenor Britain & Ireland represents the most difficult portfolio in terms of understanding water procurement arrangements, largely because of its historic meters and residential weighting.

#### Absolute water consumption

All directly-managed properties are included in this analysis, irrespective of when they entered or exited the portfolio, except for those where data quality was a concern. Where data was missing we applied a consistent estimation methodology. If insufficient data was available for estimation we excluded the property from the analysis. This year we were able to report on the absolute data of 198 properties, with 7% of the total footprint estimated.

#### Like-for-like water

This year, 120 properties are included in the like-for-like water analysis.

#### Waste

In line with best practice, we report two waste footprints: one for properties measuring waste by mass and the other for those measuring by volume. Measuring waste by mass is a more accurate method of recording waste quantities, but in some regions of the world where we invest we have to rely on volumetric data. Some of our assets are unable to provide waste information due to the waste management arrangements onsite.

This year we were able to report on 21 properties measuring waste by mass and 16 properties measuring waste by volume. Where waste data was not available we have not estimated it, as waste movements vary more significantly than metered utilities.

## ADVISER'S STATEMENT

For Grosvenor's 2013 environmental data, JLL has been involved in three main capacities: the collection, checking and collation of carbon, energy, water and waste data; analysing the data to produce like-for-like, absolute and intensity analyses; and preparing the environmental data in line with European Public Real Estate Association (EPRA) and European Association for Investors in Non-Listed Real Estate Vehicles (INREV) guidelines.

JLL has been advising Grosvenor for over ten years on many aspects of its sustainability strategy and implementation, and can offer an informed external perspective on the progress made by Grosvenor to improve the quality of its voluntary environmental disclosure. Given that JLL is Grosvenor's long-term advisor, this statement does not represent independent verification.

During 2013, JLL continued to support Grosvenor with the collection of environmental data from its global portfolio - both the direct investment portfolio and the fund management investment portfolio. We have seen a continued high standard of data coverage and accuracy over the past twelve months, mainly thanks to the ongoing engagement of Grosvenor's external property managers with key members of the internal Grosvenor asset management teams, both of whom increasingly view environmental data monitoring as a key component of property management. The internally-managed properties of the Grosvenor Britain & Ireland portfolio have seen a significant improvement in the quality of data over the past year, but given the nature of the portfolio, there are difficulties to ensure 100% coverage, and therefore we have had to use estimations, especially for water.

For 2014 JLL recommends that Grosvenor improve the scope of reporting for the Great Britain & Ireland portfolio to include all energy and water data. We would also recommend extending the scope of waste reporting to include more directly-managed assets across the global portfolio.

Grosvenor has used the EPRA sustainability Best Practice Recommendations as the framework for its reporting and has improved the level of disclosure compared to last year, particularly on reporting like-for-like performance at the fund level.

In preparing the data analysis for this report, we employ best practice techniques to analyse carbon, energy, water and waste data, and believe that this Environment Review is an accurate representation of Grosvenor's impacts, as outlined in the methodology.

We look forward to continuing to support Grosvenor with its global environmental monitoring programme, and applaud them for the all the efforts made over the past twelve months.



**Alex Edds**  
Director, Upstream Sustainability Services  
JLL

## GLOSSARY

**Absolute carbon emissions**

Total tonnes of carbon emissions attributable to Grosvenor's directly-owned and managed properties for a 12 month period.

**Carbon footprint**

A measure of the amount of carbon dioxide, and equivalent greenhouse gases, emitted by Grosvenor's activities during a 12 month period.

**Directly managed**

Properties under Grosvenor's operational control, where Grosvenor is responsible for procuring the utilities and/or waste collection. Our properties are either internally or externally managed. This does not include minority interests in joint ventures, indirect investments or properties with full repairing and insuring leases (where the tenant is responsible for utility procurement and waste collection). This is in line with the GHG Protocol.

**EPRA**

European Public Real Estate Association Industry body that has published Best Practice Sustainability Reporting Guidelines.

**GHG Protocol**

International best practice accounting tool for greenhouse gas emissions.

**GRI**

Global Reporting Initiative is a non-profit international organisation, associated with the United Nations, that promotes economic, environmental, social and governance reporting through providing all companies and organisations via a comprehensive framework.

**Grosvenor Group**

Grosvenor Group Limited and its wholly-owned subsidiaries.

**ISO 14001**

An international environmental management standard.

**Like-for-like**

A portfolio of assets that has been in our management control for two or three years, also known as the consistent portfolio.

**London estate**

Grosvenor's portfolio of office, retail and residential properties in the Mayfair and Belgravia areas of London's West End.

**Operating Companies**

Grosvenor's three regional investment and development businesses and Grosvenor Fund Management.

**Renewable energy**

Energy that comes from resources which are continually replenished such as sunlight, wind, rain, tides, waves and geothermal heat.

**tCO<sub>2</sub>e**

Tonnes of carbon dioxide emissions. This is the best practice metric for measuring a carbon footprint and aligns with the Greenhouse Gas Protocol.

**Waste Footprint**

The volume or mass of waste produced by Grosvenor's activities during 2012.