

# Net zero

Our goal: Net zero  
Executive Summary



GROSVENOR

# Introduction

We put mitigating climate change and the promotion of healthy, inclusive, and economically resilient businesses and communities at the heart of everything we do. And one of the most effective ways we can minimise our impact on the environment, and future-proof our business activities, is to reduce the carbon emissions of our real estate portfolio.

In 2019, we were one of the first signatories of the Better Buildings Partnership and World Green Building Council net zero carbon commitments. Our commitment is to ensure buildings within our direct control will operate at net zero carbon by 2030, and all buildings (directly and indirectly managed) will achieve embodied and operational net zero carbon by 2050.

This document summarises our approach to achieving our 2030 ambitions: what we will do, how and by when.

## What is net zero?

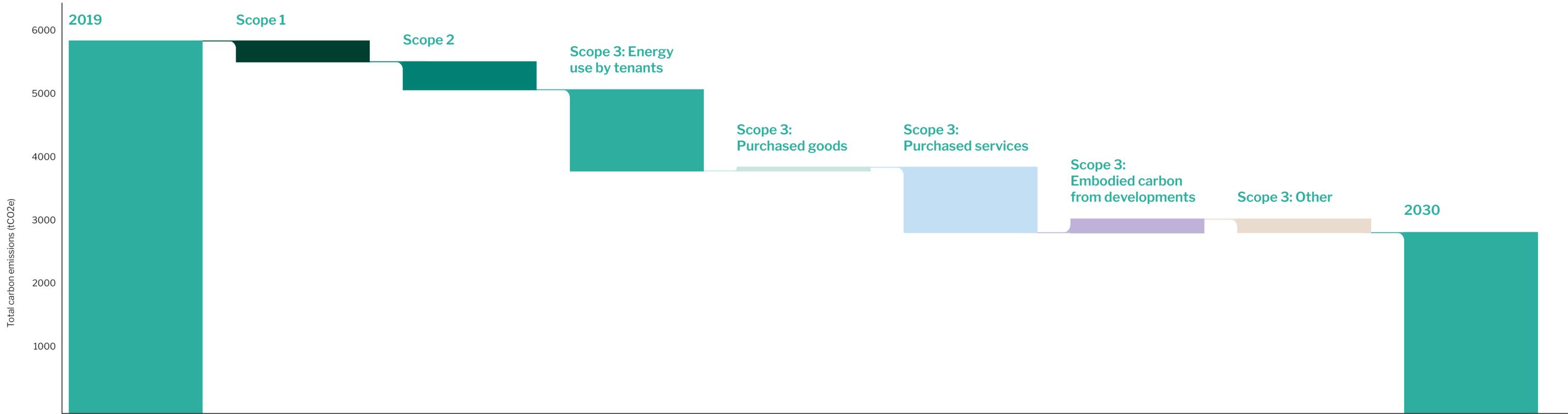
We define net zero as ensuring that the amount of carbon we produce is compensated by the amount we remove from the atmosphere, resulting in net zero emissions.

# We will cut our total carbon impact by 50% by 2030

# What will we do?

We will cut our total carbon impact by 50% by 2030. In 2019 (our baseline year), our total Scope 1, 2 and 3 emissions were c.6,000 tCO<sub>2</sub>e. Emissions from landlord-procured energy use, our Scope 1 and 2 emissions, accounted for 18% of the total, compared with 82% for Scope 3 emissions. By 2030, we will reduce our total carbon impact to c.3,000 tCO<sub>2</sub>e. Any residual carbon will be offset to reach net zero.

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# How will we get there?

To reduce our total emissions by 50%, we will focus on three core areas: cutting energy use in buildings by a third; cutting the embodied carbon intensity of our developments by 50%; and cutting the carbon intensity of purchased goods and services by at least 60%.



## 1. Energy use in buildings

We will reduce energy consumption by 1/3 to align with industry-leading net zero carbon building performance definitions



## 2. Purchased goods and services

We will reduce our carbon emissions per unit of spend by 60% through decarbonisation of our suppliers and low carbon refurbishments



## 3. New developments

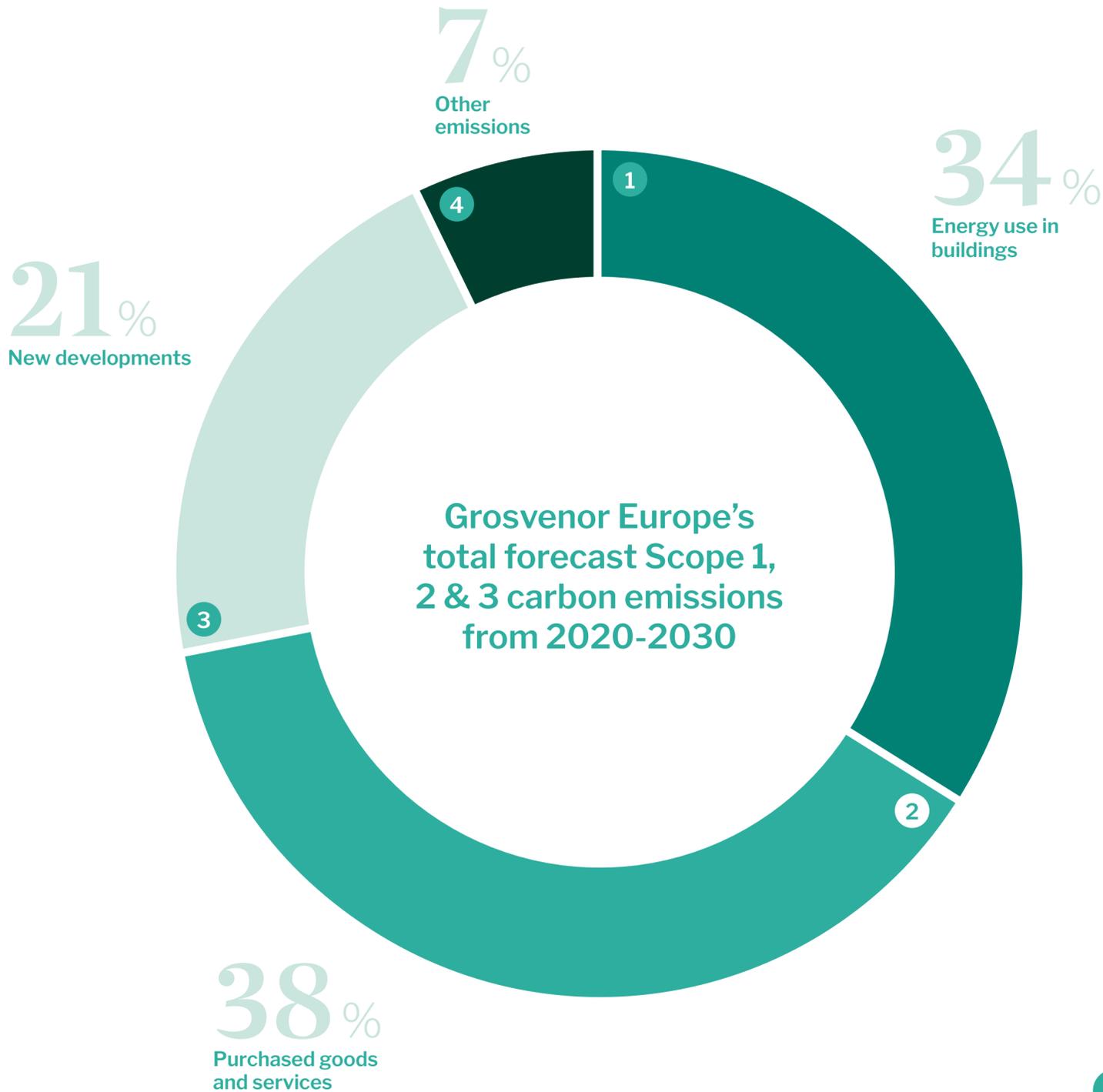
We will aim to reduce embodied carbon per square metre in our developments by 50% compared with typical benchmarks and practice today.

We will build to highly energy-efficient performance standards consistent with net zero carbon benchmarks



## 4. Other emissions

Covering areas such as business travel, employee commuting, water and waste, we will include these emissions within our overall 50% reduction target



# Challenges and opportunities

## Commercial

We believe that targeting net zero carbon is the right thing to do but recognise that in some instances the longer-term commercial case for reducing carbon may be difficult to quantify and estimate today. We believe that commercial and sustainability drivers will align and that acting ahead of regulation is the right strategic move.

## Data

Environmental data collection can be challenging and approximately half of the energy consumption of our buildings is estimated. We are working to improve data accuracy to ensure a robust measurement and reporting process.

## Tenant engagement

We cannot achieve our targets alone. Approximately two thirds of carbon emissions from energy use in buildings arises from tenant consumption, so we need to collaborate with our occupiers to establish a mutually beneficial path to achieve our goals.

## Training

We will provide training and motivate our employees to understand and deliver our net zero carbon goal. Responsibility for delivering the various aspects of the strategy will be included in roles and responsibilities.

## Changing market expectations

There is no single industry recognised definition of net zero carbon and various methodologies are available. We expect this may change, but in the meantime will continue to engage with peers and industry bodies to monitor its evolution and adapt our strategy accordingly.

## Our strategy is:

- Bold and ambitious
- Transparent to enable straightforward communications with stakeholders
- Agile and responsive to market, regulatory and portfolio changes
- Highly tailored to reflect the needs of the business, the markets we operate in and the priorities of key stakeholders
- Ahead of regulation to mitigate asset value risk
- Integrated into policies and processes so that it can be easily implemented
- Motivational in its promotion of energy efficiency and tenant engagement
- Industry-backed as it follows a recognised certification approach