



Our Carbon Commitment

Grosvenor Diversified
Property Investments 2023



GROSVENOR

Our carbon commitment

Grosvenor's Diversified Property Investments (GDPI) business diversifies Grosvenor's property portfolio by investing with third-party specialist real estate managers in joint ventures and funds. Unlike Grosvenor's direct operating businesses, GDPI does not have long-term exposure to its investments: our typical investment is over a three-to-seven-year investment horizon, in country and sector-specific strategies.

In keeping with Grosvenor's purpose, GDPI is focused on delivering lasting commercial, social & environmental benefit through responsible investing, putting our shared values of trust, integrity, and respect at the centre of our investment decisions.

We take a robust approach to responsible investing and expect high standards of ourselves and the wider network with which we engage. As a third-party managed business, our ability to deliver sustainable societal benefit through responsible investing is centred on both our choice of partners, with whom we commit our capital, and our position of influence with them. We believe in helping to enhance our partners' environmental and societal impact and raising real estate industry standards through long-term, continuous improvement. The GDPI carbon commitment recognises our ability to influence partners and stakeholders to join Grosvenor on this mission and deliver wider sectoral decarbonisation.





Grosvenor's global carbon commitment

Across Grosvenor, we have committed to reducing our emissions in line with limiting global warming to 1.5°C by 2050.

We will:

- Take responsibility for 100% of our direct (Scope 1 and 2) and indirect emissions (Scope 3), calculated in line with the latest Greenhouse Gas ('GHG') Protocol guidance.
- Report transparently on our progress, sharing our knowledge and experience externally.
- Set ambitious goals to deliver, at a minimum, a science-based reduction in carbon emissions in line with limiting global warming to 1.5°C and the latest climate science following the latest industry guidance from the Science-Based Targets initiative ('SBTi').
- Partner with others to drive the wider industry change needed to keep the 1.5°C target alive.

Aware of the complex relationships between climate change, biodiversity loss, inequality, social cohesion and economic growth, we will continue to look for opportunities to deliver our commitment in a holistic way that identifies benefits beyond carbon reduction.



→ 100% of our partners will have 1.5°C-aligned carbon reduction pathways on exit by 2040

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In GDPI, we look to accelerate our real-world impact through our indirect investment activities, working with our partners to drive wider industry decarbonisation.

Our carbon commitment covers 100% of the direct (Scope 1 and 2) and indirect (Scope 3) emissions generated by our business and investment activities.

Following the SBTi Private Equity Sector Science-based Target Guidance published in 2021, we adopt a portfolio coverage approach to set 1.5°C-aligned carbon reduction pathway.

This approach reflects the lack of direct control our business has in delivering absolute carbon reductions, and instead we engage with our investment partners to encourage them to set targets to reduce their own emissions.

Setting the bar on our carbon ambitions over the last three years

2021

In 2021, GDPI developed our Responsible Investment Strategy. This strategy seeks to ensure that our partners share and support our sustainability agenda, with a specific focus on societal benefit, environmental ambition and integrity, trust and respect.

2023

In 2023, Grosvenor announced a new global carbon commitment, covering business activities across our global property portfolio, rural estates, investment, and insurance businesses. As part of this commitment, GDPI developed a detailed action plan to deliver our own carbon commitment. This involves an ongoing pledge to work with our investment partners to support, develop, and help them to meet their own carbon strategies.

2022

In 2022, GDPI started to develop our carbon commitment, baselining the carbon impact of our current portfolio and projecting our emissions profile over time to reflect the changing portfolio composition, identifying opportunities to accelerate carbon reductions from our corporate activities, and across our portfolio.

Our baseline

In 2021, our total emissions were estimated at 16% of the overall Grosvenor Group's emissions. Of these, the vast majority (99%) was associated with GDPI's investment portfolio (Scope 3 - Investments), with only 1% coming from our corporate operations including energy use in our offices (Scope 1 and 2), and emissions from our supply chain, employee commuting and business travel (Scope 3 - Corporate).

Delivering our carbon commitment

Working closely with our investment partners and using our position of influence is necessary as 99% of our emissions are associated with our indirectly held real estate. We take a collaborative approach to engage and support our partners to decarbonise our collective business activities.

Whilst negligible at 1% of our overall carbon baseline, our corporate emissions are a key focus for the business and form part of the wider Grosvenor Group effort to reduce emissions in line with our ambition.

We are committed to continued alignment with a science-based approach and acknowledge that some areas of our strategy may need revisiting in the future as climate science, industry guidance and best practice evolve. GDPI will continue to monitor the changing external context to ensure we are delivering carbon reductions that are science-based and reflect best practice.



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