Forecast for 2030: Net Zero

Our path to zero in North America

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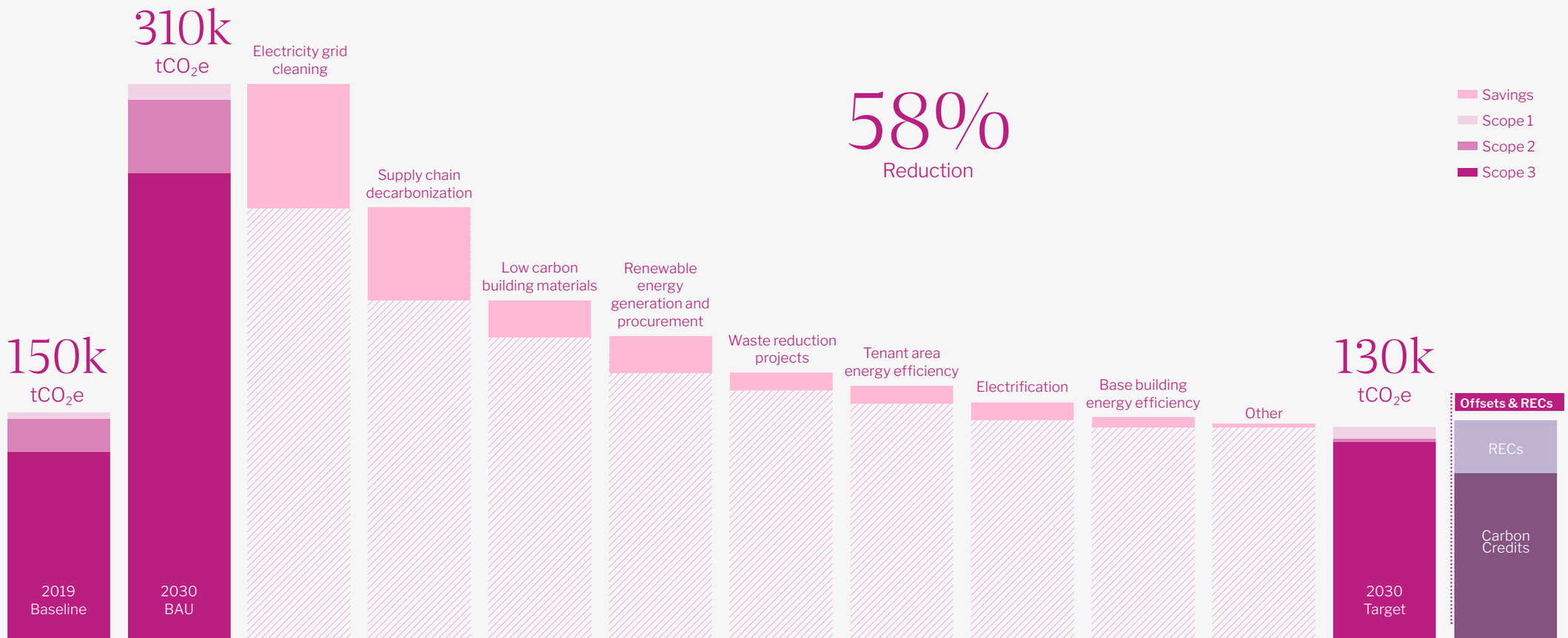
GROSVENOR

Summary

As our business grows, it is paramount that we take meaningful and credible action. This means achieving reductions now while evolving our targets alongside industry developments and climate science. At present, we are developing detailed decarbonization budgets, emissions performance tracking; and progress reporting. As we look to the future, we are assessing how we may align our target with the latest science shared by the International Panel on Climate Change (IPCC) and criteria published by the Science Based Targets Initiative (SBTi).

As an active owner and developer, it is imperative that we understand impacts to our portfolio that come from changes to our business strategy - our Strategic Plan projects business growth to 2030. Taking our baseline data and assuming no investments in carbon reduction, we would expect emissions from our Investment, Development and Corporate business activity to double.

To ensure our most material climate impacts are included in our decarbonization efforts, we have expanded our target boundary beyond the WorldGBC to include the Scope 3 emissions resulting from purchases from our suppliers, building materials and disposal and tenant energy use.



Appendix: Methodology for Baseline and Business-As-Usual Emissions

Providing accurate accounting to determine the baseline for carbon emissions is the first step in understanding how an organization is performing and the necessary level of action to achieve carbon reduction targets. Actual asset level utility data was used first as long as it met data quality and accuracy thresholds as stated in detail with the methodology section. When actual data was not available, data was estimated conservatively to gain a holistic understanding of the baseline carbon emissions for the inventory.

Opportunities for improved data accuracy have been identified for development of future inventories. 2019 asset data was used as the Baseline year as 2020 consumption data for assets was impacted and considered non-typical due to COVID. WorldGBC's Carbon Commitment Guiding document, which references the GHG Protocol, were the primary guiding documents for determining scope accounting. For emissions outside of the WorldGBC Commitment, the GHG Protocol was the primary guiding document, with any supplementary documents and sources listed in the following pages.

	Electric	Natural Gas	Electric T&D Losses	Waste	Water
Baseline	• Data was reviewed and categorized as 'Good', 'Better' or 'Best' indicating the quality of data available. • If < 50% of data was available, this measured data was replaced with Energy Star Target Finder's median values based on property type and location. • If > 50% of data was available, this data was scaled up by square footage for tenant areas.	• Data was reviewed and categorized as 'Good', 'Better' or 'Best' indicating the quality of data available. • If < 50% of data was available, this measured data was replaced with Energy Star Target Finder's median values based on property type and location. • If > 50% of data was available, this data was scaled up by square footage for tenant areas.	• Used baseline electric consumption (see the Electric Baseline section) and applied the T&D loss rates from the U.S. EPA and the World Bank databases.	• Where data wasn't available, waste was estimated based on the typical waste generated by type of building (retail, office, residential, etc.). • Emissions factors were based on EPAs WARM emission factors for both US and Canada.	• Estimated water consumption by square footage for assets if no meter data was available. • Used DEFRA UK emissions factors for supply and treatment of water because no standard has been set for US.
Business-As-Usual (BAU)	• Projected electric consumption increase by generating multipliers based on dollar value for the asset's market or region, property type, and function (investment, development). This was applied to scale the portfolio in 2025 and in 2030.	• Projected gas consumption increase by generating multipliers based on dollar value for the asset's market or region, property type, and function (investment, development). This was applied to scale the portfolio in 2025 and in 2030.	• These T&D loss rates were applied to projected electric use in 2025 and in 2030.	• Projected waste by generating multipliers based the asset's market or region, property type, and function (investment, development). This was applied to scale the portfolio in 2025 and in 2030.	• Projected water use increase on an area of portfolio basis.

	Purchased Goods & Services	Embodied Carbon	Business Travel	Employee Commute	Upstream Leased Assets
Baseline	• Factors from the US Environmentally Extended Input-Output (EEIO) model were used to estimate life cycle emissions based on dollars spent per good or service.	• Performed a Life Cycle Analysis on a typical building within Grosvenor's portfolio to understand the embodied carbon impact of a typical development. • This carbon impact (tons/sq. ft.) was applied to the total area of development completed in 2019.	• Used 2019 business travel data and associated carbon emissions from the NFDR.	• Used anonymized employee zip codes to generate typical commute mileage. • It was assumed that all employee commute 5 days a week 251 days out of the year. • Assumed all commuting was by train or by car, with percentages determined based on the regions typical commuting practices found on census websites for US and Canada. • Emissions factors were derived from the GHG Emissions Factors Hub.	• Approximate square footage of each building was used. • Energy Star typical EUIs were used to derive the energy use of the building.
Business-As-Usual (BAU)	• Scaled up by the total portfolio value for assets under management for 2025 and 2030.	• Applied Baseline embodied carbon impact (tons/sq.ft.) to future new development area estimates.	• Calculated per projected head counts for 2025 and 2030.	• Calculated per projected head counts for 2025 and 2030.	• Calculated per projected head counts for 2025 and 2030.