

**GRI Standards
Compliance
Report**



GRI Compliance Report

We have benchmarked our reporting against the Global Reporting Initiative sustainability reporting guidelines, GRI Standards. We assess our application of the GRI Standards to be Core compliance. Following a review undertaken in 2014/15 we decided to transition to reporting in alignment with the GRI G4 guidelines in 2015/16. Since then, new GRI guidelines have been published, and so we have decided to transition straight to the new GRI reporting framework; GRI Standards.

Reporting Scope and Boundary

Grainger reports on an operational control basis.

Except where specifically noted otherwise, Grainger's CR reporting does not cover:

- Joint venture projects
- Suppliers' activities (although contractor performance in regards to selected construction impacts and repairs and maintenance impacts are included)

Significant changes to our company activities during 2015/16 were:

- Grainger appointed a new CEO who joined the business in November 2015 and CFO who joined in February 2016
- Grainger launched a new business strategy in January 2016
- The closure of Grainger's Germany office in Frankfurt in February 2016
- The sale of Grainger's Germany property portfolio business including our JV business with Heitman and our wholly owned German assets between November 2015 and April 2016
- The sale of Grainger's Equity Release business and Retirement Solutions division between January and May 2016
- GRIP, Grainger's fund with APG, was converted to a Real Estate Investment Trust (REIT) in July 2016
- A review of Grainger's operating model resulted in an internal restructuring into a Property team focused on driving capital growth and an Operations team focused on driving rental growth. There has been a 21% reduction in the number of Grainger employees

The closure of our Germany operations presents a significant changes from previous reporting periods in the scope of this report. Restatements and changes to our key performance indicators and EPRA sustainability performance measures are stated in the data qualification notes alongside the [Key Performance Indicators](#) and [EPRA tables](#) as appropriate.

GRI Index

The following index summarises the GRI Profile Disclosures and Indicators which we are reporting for the reporting year 2015/16 and the location where the indicator is reported. For ease of use, these are referenced as a comparison between the GRI G4 Reporting Framework and the new GRI Standards.

The GRI Standards require participants to report only Aspects that they have deemed to be material to the organisation. GRI defines material Aspects as: "Aspects that: reflect the organisation's significant economic, environmental and social impacts; or substantially influence the assessments and decisions of stakeholders."

In our capacity as sustainability advisors to Grainger plc, JLL undertook a review of all Aspects in the G4 and used Grainger's sustainability strategy, objectives and the outcomes of previous materiality assessments (in addition to our knowledge of Aspects identified as material by other real estate sector organisations) to identify which Aspects we believe are material to Grainger's business.

Material Aspects

Category	Aspect	Material to Grainger plc	
Economic	Economic Performance	Yes	This is highly material to Grainger plc
Economic	Market Presence	No	This is covered by UK law, and as such has not been deemed material for Grainger plc
Economic	Indirect Economic Impacts	Yes	This is material to Grainger plc due to the impact of its developments
Economic	Procurement Practices	No	This is immaterial for Grainger plc, as Grainger complies with all UK law
Economic	Anti-corruption	No	This is covered by UK law, and as such has not been deemed material for Grainger plc
Economic	Anti-competitive Behavior	No	This is covered by UK law, and as such has not been deemed material for Grainger plc
Environmental	Materials	No	Currently this is immaterial to Grainger, as very few materials are used. As more PRS schemes are developed, this may become material
Environmental	Energy	Yes	Energy consumption is material to Grainger due to its own offices, operations and also tenant energy usage
Environmental	Water	No	Water consumption is mostly relevant for tenant usage, and has been deemed immaterial for Grainger's operations
Environmental	Biodiversity	No	Grainger's activities have minimal effects on biodiversity, and this has therefore been deemed immaterial. This may become material in future years as Grainger's development activity increases
Environmental	Emissions	Yes	GHG emissions are material to Grainger due to its own offices, operations and tenant energy usage
Environmental	Effluents and Waste	No	This is considered immaterial due to minimal construction waste generated for developments and refurbishments
Environmental	Environmental Compliance	No	Grainger plc has no operations which pose significant risk to the environment, and as such this has been deemed immaterial
Environmental	Supplier Environmental Assessment	No	Grainger currently undertakes supplier environmental assessment for development suppliers only. A procurement review has been undertaken in 2016 and the recommendations will be implemented in 2017 – we will then reassess if this is material enough to report
Social	Employment	Yes	This is material for Grainger plc both in its own offices and through its suppliers
Social	Labor/Management Relations	No	This is covered by UK law, and as such has not been deemed material for Grainger plc
Social	Occupational Health And Safety	Yes	This aspect is material for Grainger's suppliers, contractors, employees and supply chain
Social	Training And Education	Yes	This aspect is material for Grainger's employees and contractors
Social	Diversity And Equal Opportunity	Yes	This aspect is material for Grainger's employees
Social	Non-discrimination	No	This is covered by UK law, and as such has not been deemed material for Grainger plc
Social	Freedom of Association and Collective Bargaining	No	This is covered by UK law, and as such has not been deemed material for Grainger plc
Social	Child Labor	No	This is covered by UK law, and as such has not been deemed material for Grainger plc
Social	Forced or Compulsory Labor	No	This is covered by UK law, and as such has not been deemed material for Grainger plc

Category	Aspect	Material to Grainger plc	
Social	Security Practices	No	This aspect has been deemed immaterial to Grainger's business
Social	Rights of Indigenous Peoples	No	This is not relevant for the UK, and is therefore not material to Grainger's operations
Social	Human Rights Assessment	No	This is covered by UK law, and as such has not been deemed material for Grainger plc
Social	Local Communities	Yes	Grainger takes a long term approach to investing in places and creating communities, so this is considered material
Social	Supplier Social Assessment	No	This is covered by UK law, and as such has not been deemed material for Grainger plc
Social	Public Policy	No	Grainger plc is not involved in political contributions, and as such this has been deemed immaterial
Social	Customer Health And Safety	Yes	The health and safety of tenants is a material issue for Grainger plc
Social	Marketing and Labeling	No	Since the Code for Sustainable Homes has been abolished in UK legislation, and given the absence of a suitable alternative, this has been deemed immaterial for Grainger plc
Social	Customer Privacy	No	Grainger complies with all UK law, and therefore this is not material
Social	Socio-economic Compliance	No	Grainger complies with all UK social and economic law, and therefore this is not material

GRI G4 reference	GRI Standards reference	GRI profile disclosures and indicators	Link to Grainger response
GRI 102 – General disclosures (Organisational profile)			
G4-3	102-1a	Name of the organization	Grainger plc
G4-4	102-2a	A description of the organization's activities	ARA (2016) – Our business model (p14-15) ARA (2016) – Risk management (p28-33)
G4-4	102-2b	Primary brands, products, and services	ARA (2016) – Our business model (p14-15) Who we are
G4-5	102-3a	Location of the organization's headquarters	Newcastle, UK
G4-6	102-4a	Number of countries where the organization operates, and the names of countries where it has significant operations and/or that are relevant to the topics covered in the report	UK
G4-7	102-5a	The nature of ownership and legal form	Public Limited Company (plc)
G4-8	102-6a	Markets served, including <ul style="list-style-type: none"> geographic locations where products and services are offered sectors served types of customers and beneficiaries 	ARA (2016) – Chief executive's review (p9-11) ARA (2016) – Market conditions (p12-13) ARA (2016) – Our business model (p14-15) ARA (2016) – Key performance indicators (p16-23) ARA (2016) – People, relationships and resources (p24-27) Who we are
G4-9	102-7a	The scale of the organization, including: <ul style="list-style-type: none"> total number of employees total number of operations net sales (private sector) or net revenues (public sector) total capitalization (private sector) broken down in terms of debt and equity quantity of products or services provided 	ARA (2016) – Financial statements (p90) ARA (2016) – People, relationships and resources (p24-27) ARA (2016) – 8,609 rental homes (p1)

G4-10	102-8a	Total number of employees by employment contract (permanent and temporary), by gender	Total number of employees	Permanent Employees	Temporary Employees
			Male	88	4
			Female	126	10
G4-10	102-8b	Total number of employees by employment contract (permanent and temporary), by region	Total number of employees	Permanent Employees	Temporary Employees
			Altrincham	19	4
			Birmingham	6	0
			London	119	9
			Newcastle	82	5
G4-10	102-8c	Total number of employees by employment type (full-time and part-time), by gender	Total number of employees	Full-time Employees	Part-time Employees
			Male	91	0
			Female	117	20
G4-10	102-8d	Whether a significant portion of the organization's activities are performed by workers who are not employers.	Grainger is a property investor, developer and manager with an £850m investment / development programme and £2.7bn assets owner or under management. Inevitably a significant portion of the activities associated with this are carried out by third parties, with Grainger acting as a client and manager.		
G4-10	102-8e	Any significant variations in the numbers reported in Disclosures 102-8a, 102-8b, 102-8c (e.g. seasonal variations)	Variations in these numbers are due to organisational restructure, which reduced our number of employees from 283 in 2015 to 216 in 2016.		
G4-10	102-8f	An explanation of how the data have been compiled, including any assumptions made	This data has been compiled from employment records taken by HR and reported as at the end of the financial year.		
G4-12	102-9a	A description of the organisation's supply chain, including its main elements as they relate to the organisation's activities, primary brands, products and services	Grainger's supply chain varies significantly dependent on the activities being undertaken. Supply chain partners and suppliers are used extensively in our development and property management businesses, focussed on residential property development, improvement and repair and maintenance. In many cases the supply chain will include not only delivery of the services but also management of them on our behalf as a client.		

The nature and scale of the suppliers or contractors involved will vary dependent on the nature and scale of our business requirement, ranging from SMEs engaged in small scale local delivery to highly specialised and skilled companies and national and international organisations involved in large scale and long term arrangements, which can include partnerships and other complex contractual arrangements.

In addition we use a large number of professional service organisations to supplement our own resources either where we do not possess the requisite skills or judge that these are best bought in rather than held in-house. These will range from legal advice to project management services to specialist technical risk advisors.

[ARA \(2016\)](#) – Chief executive’s review (p9-11)

[ARA \(2016\)](#) – Financial statements (p90)

G4-13

102-10a

Significant changes to the organisation’s size, structure, ownership or supply chain, including:

- Changes in the location of, or changes in, operations (including facility openings, closings and expansions)
- Changes in the share capital structure and other capital formation, maintenance and alteration operations (for private sector organisations)
- Changes in the location of suppliers, the structure of the supply chain, or relationships with suppliers (including selection and termination)

During 2015/16 we simplified our business significantly, disposing of our business in Germany, and closing our Frankfurt office. Accordingly now all of our activities are UK based as is our supply chain. Clearly we and our supply chain partners acquire supplies and materials that originate outside of the UK and have in place the requisite safeguards.

The structure of the supply chain varies in relation to the type of activity being undertaken. For development activities, we typically use a third party project manager through whom the acquisition and management of the supply chain is concentrated. For much of our property improvement and management activities we employ small to medium size enterprises who tend to be based local to our assets and thus have a fragmented, but relatively short supply chain. We also employ national and regional contractors who probably make up about 30% of our supply chain for improvement and management activities. These organisations will themselves employ one or two levels of subcontractors. In terms of

			<p>materials procurement, we do very little of this ourselves since we are not a manufacturer and our supply chain, will itself procure finished goods or materials for use in construction and maintenance related activities.</p> <p>Selection for contracts and any expenditure above a de minimus amount will be based on competitive tendering – which for large scale activities will follow a structured and prescribed single or multi-stage procurement process, which will vary based on the nature and legal requirements of the project or our partners. For smaller scale activities, typically one-off repairs activities we follow competitive quotation process. The relationship between cost, quality and other criteria including ESG will again vary depend on the nature of the procurement and where appropriate, managed through a PQQ.</p> <p>Termination will inevitably follow the contract agreed, if there is a long term relationship in place.</p> <p>Grainger is seeking to reduce the risk in its supply chain through the development of strategic long term partnerships with its major suppliers and, after the year end, has recently launched a programme to implement a procurement framework for its Repairs and Maintenance and Gas Services.</p>
G4-14	102-11a	Whether and how the organisation applies the precautionary principle or approach	Our Approach to Risk
G4-15	102-12a	A list of externally-developed economic, environmental and social charters, principles or other initiatives to which the organisation subscribes, or which it endorses	Grainger reports to various Third Party Standards including the CDP, GRESB, and the EPRA Sustainability Measures. Grainger complies with the Considerate Constructors Scheme on all developments and major refurbishments and sustainable building standards such as BREEAM are considered where applicable.
G4-16	102-13a	A list of the main memberships of industry or other associations, and national or international advocacy organisations	Grainger is a member of the Global Real Estate Sustainability Benchmark and sits on many committees, which are detailed in Appendix 2. Grainger was a founding partner of the Better Renting for Britain campaign. This document – Appendix 2

[Influencing the Future](#)

[Third Party Standards](#)

GRI 102 – General disclosures (Strategy)

G4-1	102-14a	A statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy for addressing sustainability	Sustainability Report (2015) - Foreword from our CEO (p2)
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G4-2	102-15a	A description of key impacts, risks, and opportunities	ARA (2016) – Our business model (p14-15) ARA (2016) – Risk management (p28-33) Our Approach - Risks & Opportunities
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GRI 102 – General disclosures (Ethics and integrity)

G4-56	102-16a	A description of the organization's values, principles, standards, and norms of behavior	ARA (2016) – Our business model (p14-15) ARA (2016) – People, relationships and resources (p24-27) ARA (2016) – Our purpose (p0) Our Values <p>These values form the foundation of Grainger's core values, and in addition to these, Grainger has also compiled a list of Supplementary Values. These were identified through an intensive process involving the executive board and senior leadership, which involved significant employee engagement. Further cascade meetings were then held across the business to identify priorities, and how these values align to each team's strategy.</p>
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G4-57/58	102-17a	<p>A description of internal and external mechanisms for:</p> <ul style="list-style-type: none"> Seeking advice about ethical and lawful behavior, and organizational integrity Reporting concerns about unethical or unlawful behavior, and organizational integrity 	ARA (2016) – Modern slavery act (p25) Anti-bribery policy Our approach - Governance – Audit Committee duties
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GRI 102 – General disclosures (Governance)

G4-34	102-18a	Governance structure of the organization, including committees of the highest governance body	ARA (2016) – Governance (p43-89) Our Approach - Governance Our Approach – Board Committees
	102-18b	Committees responsible for decision-making on economic, environmental, and social topics	Our Approach - Governance Our sustainability committee meets monthly to discuss updates and trends on economic, environmental, and social topics, oversee performance in these areas and make related business decisions.
G4-35	102-19a	Process for delegating authority for economic, environmental, and social topics from the highest governance body to senior executives and other employees	Our Approach - Governance
G4-36	102-20a	Whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental, and social topics	Our Approach - Governance
	102-20b	Whether post holders report directly to the highest governance body	Our Approach - Governance
G4-37	102-21a	Processes for consultation between stakeholders and the highest governance body on economic, environmental, and social topics.	Our Approach - Governance Appendix 2 provides a summary of our stakeholder engagement activities, and details how ESG issues are raised and communicated.
G4-37	102-21b	If consultation is delegated, describe to whom it is delegated and how the resulting feedback is provided to the highest governance body	Our Approach - Governance Appendix 2 provides a summary of our stakeholder engagement activities, and details how ESG issues are raised and communicated.
G4-38	102-22a	Composition of the highest governance body and its committees by: <ul style="list-style-type: none"> • Executive or non-executive • Independence • Tenure on the governance body • Number of each individual's other significant positions and commitments, and the nature of the commitments 	ARA (2016) – Governance (p43-89)

		<ul style="list-style-type: none"> • Gender • Membership of under-represented social groups • Competencies relating to economic, environmental and social topics • Stakeholder representation 	
G4-39	102-23a	Whether the chair of the highest governance body is also an executive officer in the organization	ARA (2016) – Governance (p43-89)
	102-23b	If the chair is also an executive officer, describe his or her function within the organization’s management and the reasons for this arrangement	ARA (2016) – Governance (p43-89)
	102-24a	Nomination and selection processes for the highest governance body and its committees	Board Committees – Nomination Committee
G4-40		Criteria used for nominating and selecting highest governance body members, including whether and how:	
	102-24b	<ul style="list-style-type: none"> • Stakeholders (including shareholders) are involved • Diversity is considered • Independence is considered • Expertise and experience relating to economic, environmental and social topics are considered 	ARA (2016) – Governance (p43-89)
	102-25a	Processes for the highest governance body to ensure conflicts of interest are avoided and managed	ARA (2016) – Governance (p43-89)
G4-41		Whether conflicts of interest are disclosed to stakeholders, including, as a minimum	
	102-25b	<ul style="list-style-type: none"> • Cross-board membership • Cross-shareholding with suppliers and other stakeholders • Existence of controlling shareholder 	ARA (2016) – Governance (p43-89)

- Related party disclosures

G4-42	102-26a	Highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental, and social topics	ARA (2016) – Our purpose (p0) Downloads Our Values	These values form the foundation of Grainger's core values, and in addition to these, Grainger has also compiled a list of Supplementary Values. These were identified through an intensive process involving the executive board and senior leadership, which involved significant employee engagement. Further cascade meetings were then held across the business to identify priorities, and how these values align to each team's strategy.
G4-43	102-27a	Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental, and social topics	ARA (2016) – Governance (p87) Downloads – Environmental Policy Statement Our Approach - Governance ARA (2016) – People, relationships and resources (p27) Third Party Standards	Grainger's Sustainability Advisors, JLL, presented to our Executive Committee in 2016 on sustainability trends and performance in the sector. We plan to deliver training to our leadership team in 2017.
G4-44	102-28a	Processes for evaluating the highest governance body's performance with respect to governance of economic, environmental, and social topics	ARA (2016) – People, relationships and resources (p27) Third Party Standards	CDP, GRESB, FTSE4Good and EPRA sBPR submissions are prepared annually by Grainger plc's sustainability advisors, JLL, in conjunction with Grainger employees and are reviewed by the sustainability committee, and results are shared with the board. JLL undertakes a quarterly evaluation of performance against Grainger's sustainability targets (which are owned by Executive Directors) and provides an evaluation report on a quarterly basis, with an annual review and advisors' statement being published in Grainger's Annual Report and Accounts.
	102-28b	Whether such evaluation is independent or not, and its frequency	ARA (2016) – People, relationships and resources (p27) Third Party Standards	

		<p>CDP, GRESB, FTSE4Good and EPRA sBPR submissions are prepared annually by Grainger plc’s sustainability advisors, JLL, in conjunction with Grainger employees and are reviewed by the sustainability committee, and results are shared with the board. JLL undertakes a quarterly evaluation of performance against Grainger’s sustainability targets (which are owned by Executive Directors) and provides an evaluation report on a quarterly basis, with an annual review and advisors’ statement being published in Grainger’s Annual Report and Accounts.</p> <p>ARA (2016) – People, relationships and resources (p26-27)</p> <p>Third Party Standards</p>
102-28c	Whether such evaluation is a self-assessment	<p>GRESB, FTSE4good, CDP and EPRA sBPR assessments are all externally assessed. JLL undertakes a quarterly evaluation of performance against Grainger’s sustainability targets (which are owned by Executive Directors) and provides an evaluation report on a quarterly basis, with an annual review and advisors’ statement being published in Grainger’s Annual Report and Accounts.</p>
102-28d	Actions taken in response to evaluation of the highest governance body’s performance with respect to governance of economic, environmental, and social topics, including, as a minimum, changes in membership and organizational practice	<p>Our Approach - Governance</p> <p>Grainger’s Sustainability Committee reviews evaluation of performance and agrees appropriate actions. These include setting sustainability targets in areas where improvement opportunities have been identified and allocating resource to the delivery of the associated initiatives.</p>
G4-45	102-29a	<p>Highest governance body’s role in identifying and managing economic, environmental, and social topics and their impacts, risks, and opportunities – including its role in the implementation of due diligence processes</p> <p>Our Approach - Governance</p> <p>Our Approach – Risk</p> <p>Economic, environmental, and social topics and their impacts, risks, and opportunities are identified through Grainger’s Sustainability Committee meetings, presentations to the Board and through the company’s risk management framework.</p>
	102-29b	<p>Whether stakeholder consultation is used to support the highest governance body’s</p> <p>Our Approach - Stakeholders</p>

		identification and management of economic, environmental, and social topics and their impacts, risks, and opportunities	In 2017, Grainger plc is undertaking a materiality review to assess economic, environmental and social impacts, risks and opportunities and identify those which Grainger will focus on managing. This process will involve consultation with both internal and external stakeholders.
G4-46	102-30a	Highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental, and social topics	Our Approach – Risk
G4-47	102-31a	Frequency of the highest governance body's review of economic, environmental, and social topics and their impacts, risks, and opportunities	Monthly Sustainability Committee meetings, and quarterly Strategic meetings with external sustainability advisors.
G4-48	102-32a	The highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material topics are covered	Our Approach - Governance Our CEO, Helen Gordon is currently the Executive Sponsor of Sustainability.
G4-49	102-33a	Process for communicating critical concerns to the highest governance body	Our Approach - Governance
G4-50	102-34a	Total number and nature of critical concerns that were communicated to the highest governance body	No critical concerns have been identified
	102-34b	Mechanism(s) used to address and resolve critical concerns	Appendix 2 provides a summary of our stakeholder engagement activities, and details the processes and mechanisms used to address and resolve critical concerns.
G4-51	102-35a	Remuneration policies for the highest governance body and senior executives for the following types of remuneration: <ul style="list-style-type: none"> • Fixed pay and variable pay, including performance-based pay, equity-based pay, bonuses, and deferred or vested shares; • Sign-on bonuses or recruitment incentive payments; • Termination payments; 	Corporate Governance - Remuneration

		<ul style="list-style-type: none"> • Clawbacks; • Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees. 	
	102-35b	How performance criteria in the remuneration policies relate to the highest governance body's and senior executives' objectives for economic, environmental, and social topics	ARA (2016) – Governance (p43-89) Our Approach - Governance
	102-36a	Process for determining remuneration	Corporate Governance - Remuneration
G4-52	102-36b	Whether remuneration consultants are involved in determining remuneration and whether they are independent of management	Corporate Governance - Details of the remuneration committee, advisers to the committee and their fees
	102-36c	Any other relationships that the remuneration consultants have with the organization	Corporate Governance - Details of the remuneration committee, advisers to the committee and their fees
G4-53	102-37a	How stakeholders' views are sought and taken into account regarding remuneration	Corporate Governance - Shareholder engagement
	102-37b	If applicable, the results of votes on remuneration policies and proposals	Corporate Governance - Statement of voting at general meeting
GRI 102 – General disclosures (Stakeholder engagement)			
G4-24	102-40a	A list of stakeholder groups engaged by the organization.	Our Approach - Stakeholders Appendix 2 provides a summary of our stakeholder engagement activities. For more detail on feedback received from stakeholders and our response, please see Focus Areas - Responsibility to Stakeholders
G4-11	102-41a	Percentage of total employees covered by collective bargaining agreements	0% - As per standard practice in the UK, Grainger employees are private sector employees and are not covered by collective bargaining agreements.
G4-25	102-42a	The basis for identifying and selecting stakeholders with whom to engage	Grainger identifies relevant stakeholders for targeted engagement on specific topics, such as PRS customers and prospective customers for our PRS focus groups, and local residents for engagement activities on our

			development sites. We also provide opportunities for our stakeholders to contact us directly, through online forums including our tenant portals, customer helplines and complaints procedures. In 2017, Grainger plc is undertaking a materiality review to assess economic, environmental and social impacts, risks and opportunities. This process will involve an assessment of relevant stakeholders, and include consultation with both internal and external stakeholders.
G4-26/PR5	102-43a	The organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process	This document (Appendix 2)
G4-27	102-44a	Key topics and concerns that have been raised through stakeholder engagement, including: <ul style="list-style-type: none"> • how the organization has responded to those key topics and concerns, including through its reporting • the stakeholder groups that raised each of the key topics and concerns 	<p>One concern was raised this year, arising as a result of the new strategy launched in 2016. This was communicated to the executive board, and was promptly resolved through discussions with the shareholder. Due to the confidential nature of this concern, we are unable to publish more information.</p> <p>For further information on topics raised by other stakeholder groups, please see the stakeholder engagement table in Appendix 2.</p>
GRI 102 – General disclosures (Reporting practice)			
	102-45a	A list of all entities included in the organization's consolidated financial statements or equivalent documents	ARA (2016) – Financial accounts
G4-17	102-45b	Whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report	<p>ARA (2016) – Financial accounts</p> <p>Grainger uses the operational control boundary approach for environmental data reporting rather than the financial control approach. Some entities outside of Grainger's operational control but covered within the consolidated financial statements are therefore excluded from environmental disclosures.</p>

G4-18	102-46a	An explanation of the process for defining GRI report content and the topic Boundaries	This document (p1-2). Material topics and their boundaries have been defined to align with Grainger’s sustainability strategy and reporting, which is determined by the material sustainability issues identified through stakeholder consultation and risk and opportunity analysis. Our Approach - Overview Our Approach - Stakeholders Our Approach - Risks & Opportunities
	102-46b	An explanation of how the organization has implemented the Reporting Principles for defining report content	This document (p1-2)
G4-19	102-47a	A list of the material topics identified in the process for defining report content	This document (p1-2)
G4-22	102-48a	The effect of any restatements of information given in previous reports, and the reasons for such restatements	Key Performance Indicators ARA (2016) – Sustainability (p87-88)
G4-23	102-49a	Significant changes from previous reporting periods in the list of material topics and topic Boundaries	This document (p1-2). Note that as this is the first year Grainger has reported in alignment with the GRI Standards, this is not applicable.
G4-28	102-50a	Reporting period for the information provided	Financial year: 1 October 2015 - 30 September 2016
G4-29	102-51a	If applicable, the date of the most recent previous report	1 October 2014 - 30 September 2015
G4-30	102-52a	Reporting cycle	Annual
G4-31	102-53a	The contact point for questions regarding the report or its contents	Contact
G4-32a	102-54a	The claim made by the organization, if it has prepared a report in accordance with the GRI Standards, either	This report has been prepared in accordance with the GRI Standards: Core option

	<ul style="list-style-type: none"> This report has been prepared in accordance with the GRI Standards: Core option' 'This report has been prepared in accordance with the GRI Standards: Comprehensive option' 	
102-55a	The GRI content index, which specifies each of the GRI Standards used and lists all disclosures included in the report	This document
G4-32b	<p>For each disclosure, the content index shall include:</p> <ul style="list-style-type: none"> the number of the disclosure (for disclosures covered by the GRI Standards); the page number(s) or URL(s) where the information can be found, either within the report or in other published materials; if applicable, and where permitted, the reason(s) for omission when a required disclosure cannot be made 	<p>This document</p> <p>Where disclosures cannot be made, reasons for omissions are detailed next to the relevant GRI indicator.</p>
102-56a	A description of the organization's policy and current practice with regard to seeking external assurance for the report.	<p>This report has not been externally assured, but Grainger's sustainability advisors, JLL provide an evaluation of Grainger's overall performance on sustainability in an Advisor's Statement published in our Annual Report and Accounts</p> <p>ARA (2016) – Advisor's Statement (p27)</p>
G4-32c/33	<p>If the report has been externally assured:</p> <p>i. A reference to the external assurance report, statements, or opinions. If not included in the assurance report accompanying the sustainability report, a description of what has and what has not been assured and on what basis, including the assurance standards used,</p>	<p>This report has not been externally assured, but Grainger's sustainability advisors, JLL provide an evaluation of Grainger's overall performance on sustainability in an Advisor's Statement published in our Annual Report and Accounts</p> <p>ARA (2016) – Advisor's Statement (p27)</p>

- the level of assurance obtained, and any limitations of the assurance process;
- ii. The relationship between the organization and the assurance provider;
- iii. Whether and how the highest governance body or senior executives are involved in seeking external assurance for the organization's sustainability report.

GRI 103 – Management approach

G4-20	103-1a	An explanation of why each topic is material.	This document (Appendix 1)
G4-21	103-1b	The Boundary for the material topic, which includes a description of <ul style="list-style-type: none"> • where the impacts occur • the organization's involvement with the impacts (e.g cause, contribution to or links to the impacts through its business relationships) 	This document (Appendix 1)
G4-DMA-a	103-1c	Any specific limitation regarding the topic Boundary	This document (Appendix 1)
	103-2a	An explanation of how the organization manages the topic	This document (Appendix 1)
	103-2b	A statement of the purpose of the management approach	This document (Appendix 1)
G4-DMA-b	103-2c	A description of the following, if the management approach includes that component: <ul style="list-style-type: none"> • Policies • Commitments • Goals and targets • Responsibilities • Resources • Grievance mechanisms 	This document (Appendix 1)

- Specific actions, such as processes, projects, programs and initiatives

For each material topic, the reporting organization shall report the following information:

- An explanation of how the organization evaluates the management approach, including:
 - the mechanisms for evaluating the effectiveness of the management approach;
 - the results of the evaluation of the management approach;
 - any related adjustments to the management approach.

G4-DMA-c 103-3a

This document (Appendix 1)

GRI 201 – Economic performance

Direct economic value generated and distributed (EVG&D) on an accruals basis, including the basic components for the organization’s global operations as listed below. If data are presented on a cash basis, report the justification for this decision in addition to reporting the following basic components:

- Direct economic value generated: revenues
- Economic value distributed: operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments;
- Economic value retained: ‘direct economic value generated’ less ‘economic value distributed’

G4-EC1 201-1a

[Investing in Communities and Places](#)

	201-1b	Where significant, report EVG&D separately at country, regional, or market levels, and the criteria used for defining significance.	Not applicable
G4-EC2	201-2a	<p>Risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue, or expenditure, including:</p> <ul style="list-style-type: none"> • a description of the risk or opportunity and its classification as either physical, regulatory, or other; • a description of the impact associated with the risk or opportunity; • the financial implications of the risk or opportunity before action is taken; • the methods used to manage the risk or opportunity; • the costs of actions taken to manage the risk or opportunity. 	Grainger - 2016 CDP Response
	201-3a	If the plan's liabilities are met by the organization's general resources, the estimated value of those liabilities	ARA (2016) – Pension costs (p147-150)
G4-EC3	201-3b	<p>If a separate fund exists to pay the plan's pension liabilities:</p> <ul style="list-style-type: none"> • the extent to which the scheme's liabilities are estimated to be covered by the assets that have been set aside to meet them; • the basis on which that estimate has been arrived at; • when that estimate was made. 	ARA (2016) – Pension costs (p147-150)
	201-3c	If a fund set up to pay the plan's pension liabilities is not fully covered, explain the strategy, if any,	ARA (2016) – Pension costs (p147-150)

		adopted by the employer to work towards full coverage, and the timescale, if any, by which the employer hopes to achieve full coverage.	
	201-3d	Percentage of salary contributed by employee or employer	ARA (2016) – Pension costs (p147-150)
	201-3e	Level of participation in retirement plans, such as participation in mandatory or voluntary schemes, regional, or country-based schemes, or those with financial impact.	ARA (2016) – Pension costs (p147-150)
G4-EC4	201-4a	<p>Total monetary value of financial assistance received by the organization from any government during the reporting period, including:</p> <ul style="list-style-type: none"> • tax relief and tax credits; • subsidies; • investment grants, research and development grants, and other relevant types of grant; • awards; • royalty holidays; • financial assistance from Export Credit Agencies (ECAs); • financial incentives; • other financial benefits received or receivable from any government for any operation. 	<p>None</p> <p>ARA (2016) – Financial statements</p>
	201-4b	The information in 201-4a by country	<p>N/A</p> <p>ARA (2016) – Financial statements</p>
	201-4c	Whether, and the extent to which, any government is present in the shareholding structure	<p>N/A</p> <p>ARA (2016) – Financial statements</p>
	GRI 203 – Indirect economic impact		
G4-EC7	203-1a	Extent of development of significant infrastructure investments and services supported	Grainger develops significant infrastructure and services for our developments, in agreement with the relevant Local Authority. The details of specific infrastructure and services provided for each development are

reported in planning documents available on the relevant Local Authority planning portal. More information is provided on the website for larger developments, which are detailed on our Developments webpage.

[Development](#)

[Investing in Communities and Places](#)

Grainger has adopted the NLP eVALUATE Methodology to measure socio-economic impact across all of its developments. This has already been applied to its development in Newbury, and will be applied to relevant developments going forward. The NLP eVALUATE framework has identified the following impacts on communities and local economies:

- Construction and operational impacts
 - Construction jobs, GVA and expenditure
 - Operational jobs, GVA and expenditure
 - Indirect jobs and spending (multipliers)
- Fiscal implications
 - Development value
 - New homes bonus, council tax and business rates
 - Delivery of public services
 - Resources for infrastructure and local growth
- Economic competitiveness and efficiency
 - Restructuring the local economy
 - Potential catalytic investment
 - Delivery of housing and infrastructure
 - Quality of place and public realm
- Social and community impacts
 - Welfare expenditure
 - Skills and training
 - Health, crime and deprivation

Social inclusion and community integration

203-1b

Current or expected impacts on communities and local economies, including positive and negative impacts where relevant

	203-1c	Whether these investments and services are commercial, in-kind, or pro bono engagements.	Investments and services are required as part of Section 106 requirements in planning permission agreements with Local Authorities. In addition, Grainger provides in-kind donations to local charities, such as use of space.
	203-2a	Examples of significant identified indirect economic impacts of the organization, including positive and negative impacts.	<p>Investing in Communities and Places</p> <p>Socio-economic impacts are assessed through the NLP eVALUATE methodology. In the example of Newbury, the urban village redevelopment of the Market Street area will create £40m in construction value, £7.7m in GVA from construction per annum (from direct and indirect jobs), and £4.1m net additional resident expenditure. 220 direct jobs and 335 indirect jobs will be created from construction and 85 new jobs will be created from the development's operation.</p>
G4-EC8	203-2b	Significance of the indirect economic impacts in the context of external benchmarks and stakeholder priorities, such as national and international standards, protocols, and policy agendas.	<p>Influencing the Future</p> <p>Investing in Communities and Places</p> <p>Grainger reviews our performance in this area using the Global Real Estate Sustainability Benchmark, which only assesses the process of measuring the impacts rather than the actual impacts themselves. The impacts generated from each development align with those required by planning policy and with typical impacts generated by developments of a similar size, however Grainger goes beyond standard practice by providing additional community services such as organising community, events and sponsorship and support to local community organisations and charities. We also have KPIs for community investment which are based on standard practice.</p>
GRI 302 – Energy			
G4-EN3	302-1a	Total fuel consumption within the organization from non-renewable sources, in joules or multiples, and including fuel types used.	EPRA Sustainability Performance Measures
	302-1b	Total fuel consumption within the organization from renewable sources, in joules or multiples, and including fuel types used.	This is reported in Grainger's submission to the Global Real Estate Sustainability Benchmark, which is not publically available. In the 2016 submission, Grainger plc reported consumption of 531 MWh of

		renewable electricity on the GRIP REIT portfolio, representing 100% of the energy consumption for this portfolio.
	302-1c	In joules, watt-hours or multiples, the total: <ul style="list-style-type: none"> • electricity consumption • heating consumption • cooling consumption • steam consumption EPRA Sustainability Performance Measures
	302-1d	In joules, watt-hours or multiples, the total: <ul style="list-style-type: none"> • electricity sold • heating sold • cooling sold • steam sold EPRA Sustainability Performance Measures Not applicable
	302-1e	Total energy consumption within the organization, in joules or multiples. EPRA Sustainability Performance Measures
	302-1f	Standards, methodologies, assumptions, and/or calculation tools used. EPRA Sustainability Performance Measures ARA (2016) – Sustainability (p87-88)
	302-1g	Source of the conversion factors used. DEFRA (2015/16)
	302-2a	Energy consumption outside of the organization, in joules or multiples EPRA Sustainability Performance Measures
G4-EN4	302-2b	Standards, methodologies, assumptions, and/or calculation tools used EPRA Sustainability Performance Measures ARA (2016) – Sustainability (p87-88)
	302-2c	Source of the conversion factors used. DEFRA (2015/16)
	302-3a	Energy intensity ratio for the organization. EPRA Sustainability Performance Measures ARA (2016) – Sustainability (p87-88)
G4-EN5	302-3b	Organization-specific metric (the denominator) chosen to calculate the ratio. EPRA Sustainability Performance Measures ARA (2016) – Sustainability (p87-88)
	302-3c	Types of energy included in the intensity ratio; whether fuel, electricity, heating, cooling, steam, or all. EPRA Sustainability Performance Measures ARA (2016) – Sustainability (p87-88)

	302-3d	Whether the ratio uses energy consumption within the organization, outside of it, or both.	EPRA Sustainability Performance Measures ARA (2016) – Sustainability (p87-88)
	302-4a	Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples.	Grainger - 2016 CDP Response
	302-4b	Types of energy included in the reductions; whether fuel, electricity, heating, cooling, steam, or all.	Grainger - 2016 CDP Response
G4-EN6	302-4c	Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it.	EPRA Sustainability Performance Measures Grainger - 2016 CDP Response Reductions in consumption are calculated based on like-for-like coverage, which includes all assets owned for the full two-year period.
	302-4d	Standards, methodologies, assumptions, and/or calculation tools used.	EPRA Sustainability Performance Measures Grainger - 2016 CDP Response ARA (2016) – Sustainability (p87-88)
	302-5a	Reductions in energy requirements of sold products and services achieved during the reporting period, in joules or multiples.	Through our programme of asset refurbishments, we reduce the energy requirements of our properties. Reductions resulting from energy efficiency improvements are calculated and reported in our CDP response Grainger - 2016 CDP Response
G4-EN7	302-5b	Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it.	EPRA Sustainability Performance Measures Reductions in consumption are calculated based on like-for-like coverage, which includes all assets owned for the full two-year period.
	302-5c	Standards, methodologies, assumptions, and/or calculation tools used.	EPRA Sustainability Performance Measures Grainger - 2016 CDP Response ARA (2016) – Sustainability (p87-88)
GRI 305 – Emissions			
	305-1a	Gross direct (Scope 1) GHG emissions in metric tons of CO2 equivalent.	EPRA Sustainability Performance Measures ARA (2016) – Sustainability (p87-88)
G4-EN15	305-1b	Gases included in the calculation; whether CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, or all.	Carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulphur hexafluoride (SF6), and nitrogen trifluoride (NF3).

	305-1c	Biogenic CO2 emissions in metric tons of CO2 equivalent.	Not applicable
	305-1d	Base year for the calculation, if applicable, including: <ul style="list-style-type: none"> the rationale for choosing it; emissions in the base year; the context for any significant changes in emissions that triggered recalculations of base year emissions 	EPRA Sustainability Performance Measures ARA (2016) – Sustainability (p87-88)
	305-1e	Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.	DEFRA (2015/16)
	305-1f	Consolidation approach for emissions; whether equity share, financial control, or operational control.	Operational control EPRA Sustainability Performance Measures ARA (2016) – Sustainability (p87-88)
	305-1g	Standards, methodologies, assumptions, and/or calculation tools used.	EPRA Sustainability Performance Measures ARA (2016) – Sustainability (p87-88)
G4-EN16	305-2a	Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO2 equivalent.	EPRA Sustainability Performance Measures ARA (2016) – Sustainability (p87-88)
	305-2b	If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO2 equivalent.	EPRA Sustainability Performance Measures ARA (2016) – Sustainability (p87-88)
	305-2c	If available, the gases included in the calculation; whether CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, or all.	Carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulphur hexafluoride (SF6), and nitrogen trifluoride (NF3).
	305-2d	Base year for the calculation, if applicable, including: <ul style="list-style-type: none"> the rationale for choosing it; 	EPRA Sustainability Performance Measures ARA (2016) – Sustainability (p87-88)

	<ul style="list-style-type: none"> emissions in the base year; the context for any significant changes in emissions that triggered recalculations of base year emissions. 	
305-2e	Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.	DEFRA (2015/16)
305-2f	Consolidation approach for emissions; whether equity share, financial control, or operational control.	Operational control EPRA Sustainability Performance Measures ARA (2016) – Sustainability (p87-88)
305-2g	Standards, methodologies, assumptions, and/or calculation tools used.	EPRA Sustainability Performance Measures ARA (2016) – Sustainability (p87-88)
305-3a	Gross other indirect (Scope 3) GHG emissions in metric tons of CO2 equivalent.	EPRA Sustainability Performance Measures ARA (2016) – Sustainability (p87-88)
305-3b	If available, the gases included in the calculation; whether CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, or all.	Carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulphur hexafluoride (SF6), and nitrogen trifluoride (NF3).
305-3c	Biogenic CO2 emissions in metric tons of CO2 equivalent.	Not applicable
305-3d	Other indirect (Scope 3) GHG emissions categories and activities included in the calculation.	EPRA Sustainability Performance Measures ARA (2016) – Sustainability (p87-88)
305-3e	Base year for the calculation, if applicable, including: <ul style="list-style-type: none"> the rationale for choosing it; emissions in the base year; 	EPRA Sustainability Performance Measures ARA (2016) – Sustainability (p87-88)

G4-EN17

	<ul style="list-style-type: none"> the context for any significant changes in emissions that triggered recalculations of base year emissions. 	
	<p>305-3f Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.</p>	<p>DEFRA (2015/16)</p>
	<p>305-3g Standards, methodologies, assumptions, and/or calculation tools used.</p>	<p>EPRA Sustainability Performance Measures ARA (2016) – Sustainability (p87-88)</p>
	<p>305-4a GHG emissions intensity ratio for the organization.</p>	<p>EPRA Sustainability Performance Measures ARA (2016) – Sustainability (p87-88)</p>
	<p>305-4b Organization-specific metric (the denominator) chosen to calculate the ratio.</p>	<p>EPRA Sustainability Performance Measures ARA (2016) – Sustainability (p87-88)</p>
G5-EN18	<p>305-4c Types of GHG emissions included in the intensity ratio; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3).</p>	<p>EPRA Sustainability Performance Measures ARA (2016) – Sustainability (p87-88)</p>
	<p>305-4d Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.</p>	<p>Carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulphur hexafluoride (SF₆), and nitrogen trifluoride (NF₃).</p>
	<p>305-5a GHG emissions reduced as a direct result of reduction initiatives, in metric tons of CO₂ equivalent.</p>	<p>Grainger - 2016 CDP Response</p>
	<p>305-5b Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.</p>	<p>Carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulphur hexafluoride (SF₆), and nitrogen trifluoride (NF₃).</p>
G4-EN19	<p>305-5c Base year or baseline, including the rationale for choosing it.</p>	<p>Grainger - 2016 CDP Response</p>
	<p>305-5d Scopes in which reductions took place; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3).</p>	<p>Grainger - 2016 CDP Response</p>

	305-5e	Standards, methodologies, assumptions, and/or calculation tools used.	Grainger - 2016 CDP Response
GRI 401 – Employment			
G4-LA1	401-1a	Total number and rate of new employee hires during the reporting period, by age group, gender and region.	Information being collated.
	401-1b	Total number and rate of employee turnover during the reporting period, by age group, gender and region.	Information being collated.
G4-LA2	401-2a	Benefits which are standard for full-time employees of the organization but are not provided to temporary or part-time employees, by significant locations of operation. These include, as a minimum: <ul style="list-style-type: none"> • life insurance; • health care; • disability and invalidity coverage; • parental leave; • retirement provision; • stock ownership; • others. 	Full and part time employees are entitled to the same benefits in all significant locations of operation. Temporary workers have access to the same base holiday accrual (22 days pro rata) and are paid SSP only for sickness. Access to private medical insurance for employee only; travel insurance for employee and immediate family and stakeholder pension - most do not join.
	401-2b	The definition used for 'significant locations of operation'.	Grainger plc defines 'significant locations of operation' by location of property portfolios (the North and South of the UK).
	GRI 403 – Occupational health and safety		
G4-LA5	403-1a	The level at which each formal joint management-worker health and safety committee typically operates within the organization.	ARA (2016) – Health and Safety (p88) Health & Safety Policy
	403-1b	Percentage of workers whose work, or workplace, is controlled by the organization, that are represented by formal joint management-worker health and safety committees.	ARA (2016) – Health and Safety (p88) 100%

		Data	North	South	Male	Female	Notes
403-2a	Types of injury, injury rate (IR), occupational disease rate (ODR), lost day rate (LDR), absentee rate (AR), and work-related fatalities, for all employees, with a breakdown by: <ul style="list-style-type: none"> • region • gender 	Types of injury	2	6	5	3	3 employees, 4 contractor 1 tenant
		Reportable injury	0	0	0	0	
		Injury Rate (IR)	0	0	0	0	
		Occupational Disease Rate (ODR)	0	0	0	0	
403-2b	Types of injury, injury rate (IR), and work-related fatalities, for all workers (excluding employees) whose work, or workplace, is controlled by the organization, with a breakdown by: <ul style="list-style-type: none"> • region • gender 	Lost day rate (LDR)	0	0	0	0	
		Absentee rate (AR)	Total absentee rate is 4.74				
		Work-related fatalities	0	0	0	0	

[Health & Safety Policy](#)
[ARA \(2016\)](#) – Health and Safety (p32)

G4-LA6

403-2c The system of rules applied in recording and reporting accident statistics

Grainger follows guidance set out by the UK Health and Safety Executive (HSE) and calculates lost day rate and absentee rate as follows:
We calculate lost day rate for the number of days lost at work due to an accident/injury at work. Working days lost are expressed as full-day equivalent (FDE) days to allow for variation in daily hours worked and include days lost due to all non-fatal injuries (excluding injuries caused by road accidents) and all work-related illness (new and long standing cases). We calculate the lost day rate per employee, by dividing the total number of days absence during the period by the total number of employees during the same period, including leavers, then multiply this figure by 100. We calculate the average number of days absence per employee by dividing the total number of days absence during the period by the total number of possible working days per year (based on the number of working days in that year, assuming an average 25 days of annual leave pa, multiplied by the number of employees), including leavers then multiply this figure by 100.

GRI 404 – Training and education

G4-LA9	404-1a	<p>Average hours of training that the organization's employees have undertaken during the reporting period, by:</p> <ul style="list-style-type: none"> gender employee category 	<p>Average: 13 hours 30 mins Offsite - 7 hours Support - 12 hours 30 mins Associate - 13 hours 30 mins Graduate - 14 hours Management - 19 hours 30 mins Senior management - 4 hours 30 mins Male: 12.47 hours (1135/91) Female: 14.17 hours (1942/137)</p>
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G4-LA11	404-3a	Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period.	100%
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GRI 405 – Diversity and equal opportunity

G4-LA12	405-1a	<p>Percentage of individuals within the organization's governance bodies in each of the following diversity categories:</p> <ul style="list-style-type: none"> Gender; Age group: under 30 years old, 30-50 years old, over 50 years old; Other indicators of diversity where relevant (such as minority or vulnerable groups). 	Board/Committee	Gender	Age
			Board	Male: 4 Female: 4	<30: 0 30-50: 2 50+: 6
			Audit Committee	Male: 3 Female: 1	<30: 0 30-50: 0 50+: 4
			Nomination Committee	Male: 2 Female: 2	<30: 0 30-50: 0 50+: 4
			Remuneration Committee	Male: 2 Female: 2	<30: 0 30-50: 0 50+: 4
405-1b		<p>Percentage of employees per employee category in each of the following diversity categories:</p> <ul style="list-style-type: none"> Gender; 	Employees	Gender	Age
				Male: 91	<30: 48
				Female: 137	30-50: 137
					50+: 43

- Age group: under 30 years old, 30-50 years old, over 50 years old;
- Other indicators of diversity where relevant (such as minority or vulnerable groups).

GRI 413 – Local communities

G4-S01	413-1a	<p>Percentage of operations with implemented local community engagement, impact assessments, and/or development programs, including the use of:</p> <ul style="list-style-type: none"> • social impact assessments, including gender impact assessments, based on participatory processes; • environmental impact assessments and ongoing monitoring; • public disclosure of results of environmental and social impact assessments; • local community development programs based on local communities' needs; • stakeholder engagement plans based on stakeholder mapping; • broad based local community consultation committees and processes that include vulnerable groups; • works councils, occupational health and safety committees and other worker representation bodies to deal with impacts; • formal local community grievance processes. 	<p>Investing in Communities and Places</p> <p>Grainger has a community investment programme which covers all Grainger operations. Community engagement activities are undertaken on key assets and all development sites. We undertake community engagement through a variety of means including residents panels, organised events, and direct engagement from our contractors and Grainger staff with local stakeholders. We provide grievance processes for all residents and other stakeholders, including a formal complaints procedure. On larger assets such as our Wellesley site, we have a Community Strategy in place and a Community Manager to oversee its implementation. All our community initiatives are based on an assessment of the local communities' needs.</p> <p>Grainger has adopted the NLP eVALUATE Methodology to measure socio-economic impact of developments. This has already been applied to its development in Newbury, and will be applied to future developments where applicable. Further social and environmental impact assessments are undertaken for individual developments as part of the planning permission documentation.</p> <p>Grainger is also in the process of developing a best practice community engagement guide, and examples of community engagement have been collated from across the Grainger portfolio for incorporation into this guide.</p>
G4-S02	413-2a	<p>Operations with significant actual and potential negative impacts on local communities, including:</p> <ul style="list-style-type: none"> • the location of the operations; 	<p>Developments and refurbishments can have negative impacts on communities in which these activities take place. Potential negative impacts include displacement of residents and jobs if a brownfield site is redeveloped.</p>

- the significant actual and potential negative impacts of operations.

Actual impacts include the impacts from pollution during the development process, including noise pollution. Grainger endeavours to minimise these impacts, by working closely with our contractors, ensuring our Environmental Management System is implemented on all development sites, and undertaking community engagement, such as through residents feedback panels and complaints / suggestion requests. For refurbishments, tenant feedback is monitored throughout the process, and any concerns are reviewed and responded to.

GRI 416 – Customer health and safety

G4-PR1 **416-1a** Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.

In order to mitigate the H&S impacts of fire and gas installations in Grainger properties there has been a programme for the provision/installation of smoke and carbon monoxide detectors in 100% of applicable properties. The detectors are also suitably tested at the appropriate intervals and replaced if required.

G4-PR2 **416-2a** Total number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services within the reporting period, by:

- incidents of non-compliance with regulations resulting in a fine or penalty;
- incidents of non-compliance with regulations resulting in a warning;
- incidents of non-compliance with voluntary codes.

Zero incidents

416-2b If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient.

Grainger plc has not identified any non-compliance with any regulations and/or voluntary codes concerning the health and safety impacts of products and services within the reporting period.

Appendix 1 - Material aspects

Aspect	Scope and Boundaries	Management Approach	Evaluation
Economic Performance	<p>Economic Performance has been determined to be material to our business due to the economic impacts we create through our property investment activities.</p> <p>This Aspect covers all financial activities covered by our financial disclosures in our Annual Report and Accounts. It includes the economic performance of all our business activities, including our property development and management activities for our owned properties but also properties owned in joint ventures and fees from managing properties on behalf of third parties.</p>	<p>Our Annual Report and Accounts provides full disclosure on our management approach towards the economic performance of our business.</p> <p>Policies Commitments Goals and targets Responsibilities Resources Grievance mechanisms Specific actions</p>	<p>We evaluate our management approach through using our own business performance measures and Key Performance Indicators as reported in our Annual Report and Accounts, and through using industry recommended measures such as the EPRA Performance Measures. We report in alignment with the EPRA Best Practices Recommendations and in 2016 received a Silver Award in the EPRA Annual Report Survey.</p>
Indirect Economic Impacts	<p>This Aspect has been deemed to be material to our business due to the significant indirect economic impacts our property development and management activities have in areas including job creation and infrastructure development. The boundary includes both economic value created through investments made by Grainger Plc such as Section 106 payments made to Local Authorities and direct employment, but also indirect</p>	<p>Our management approach is to utilise our property management and development activities to maximise our indirect economic impact through:</p> <ul style="list-style-type: none"> - Investing in local community amenities such as schools, public realm and infrastructure improvements - creating job opportunities for local people such as through providing apprenticeships on our developments - Providing sponsorship and free space for local charities and community organisations. - Encouraging our tenants to support their local economies and communities, such as by encouraging their use of local businesses. <p>We have community engagement commitments on all development sites and we currently have a target to create a best practice guide to community engagement that</p>	<p>In order to evaluate our approach, we undertake socio-economic impact assessments on our assets using the NLP eVALUATE methodology. These assessments evaluate our performance in the areas of construction and operational economic value creation, fiscal contributions, and local economic, social and community impacts.</p>

Aspect	Scope and Boundaries	Management Approach	Evaluation
	<p>economic value created through our supply chain and our tenants' expenditure.</p>	<p>will be implemented across our portfolio. On larger assets such as our Wellesley site, we have a Community Strategy in place and a Community Manager to oversee its implementation. We have Key Performance Indicators for Community Investment and Apprenticeships. We also provide opportunities for residents and other stakeholders to share grievances or suggestions, including through our complaints procedure and resident feedback panels for some development sites.</p>	
Energy	<p>This Aspect has been deemed to be material due to the significant energy consumed by our tenants through use of our properties. The scope includes energy consumed in our own operations (offices and business travel) and from our property portfolios. We include landlord obtained energy purchased for common areas, and energy purchased by tenants and consumed in tenant areas. We are only able to estimate tenant energy consumption as due to data protection requirements we are not able to gather actual data. We use the operational control boundary approach.</p>	<p>Our approach to energy is to minimise energy consumption in our own operations and support our tenants in minimising their energy use by implementing energy efficiency improvements to our properties.</p> <ul style="list-style-type: none"> - Our Environmental Policy and Green Office Policy both include commitments to energy reduction - We measure our energy use from our offices, property portfolios, developments, repairs and maintenance and business travel and allocate resource across the relevant business unit to do this - We purchase renewable energy for the GRIP REIT portfolio - We implement refurbishments to our properties that improve their energy efficiency - Our PRS development specification specifies the use of energy efficient appliances - We have a goal to increase the coverage of Energy Performance Certificates (EPCs) across our portfolio - We have a target to use EPC ratings to develop a strategy to minimise our risk from Minimum Energy Efficiency Standards - We are piloting a green lease on commercial units in our portfolio - We have piloted renewables on our property portfolios and have undertaken a Whole Life Costing assessment of CHP - We provide all our tenants with a 'green tips' guide to encourage them to minimise their energy use 	<p>We evaluate the effectiveness of our approach through undertaking internal reviews of our environmental data and benchmarking our performance using the CDP Climate Change Programme and the Global Real Estate Sustainability Benchmark.</p>
Emissions	<p>This Aspect has been deemed to be material due to the significant emissions generated by our tenants through energy consumption in our properties. The scope includes emissions from our own operations</p>	<p>Our approach to emissions is to minimise GHG emissions from our own operations and support our tenants in minimising their emissions by implementing energy efficiency improvements to our properties.</p>	<p>We evaluate the effectiveness of our approach through undertaking internal reviews of our environmental data and benchmarking our performance using the CDP Climate Change</p>

Aspect	Scope and Boundaries	Management Approach	Evaluation
	<p>(offices and business travel) and from our property portfolios. We include emissions from landlord obtained energy purchased for common areas, and energy purchased by tenants and consumed in tenant areas. We are only able to estimate tenant energy consumption and associated emissions, as due to data protection requirements we are not able to gather actual data. We also include Scope 3 emissions within our supply chain – from contractors on developments and our repairs and maintenance partner. We use the operational control boundary approach.</p>	<ul style="list-style-type: none"> - Our Environmental Policy and Green Office Policy both include commitments to minimising our GHG emissions - We measure our emissions from operation of our offices, property portfolios, developments, repairs and maintenance and business travel and allocate resource across the relevant business unit to do this - We purchase renewable energy for the GRIP REIT portfolio - We implement refurbishments to our properties that improve their energy efficiency - Our PRS development specification specifies the use of energy efficient appliances - We have a goal to increase the coverage of Energy Performance Certificates (EPCs) across our portfolio - We have a target to use EPC ratings to develop a strategy to minimise our risk from Minimum Energy Efficiency Standards - We are piloting a green lease on commercial units in our portfolio - We have piloted renewables on our property portfolios and have undertaken a Whole Life Costing assessment of CHP - We provide all our tenants with a 'green tips' guide to encourage them to minimise their energy use and associated emissions. 	<p>Programme and the Global Real Estate Sustainability Benchmark.</p>
<p>Employment</p>	<p>This Aspect has been deemed to be material because Grainger employs over 200 people. The scope of this Aspect covers staff directly employed by Grainger plc only.</p>	<p>We have an Employee Handbook and a Code of Conduct which set out our employment policies and expectations of our employees and their behaviours. Employment policies cover the following areas: Equal Opportunities, Discrimination, Recruitment & Promotion, Disciplinary, Grievance, Capability / Performance Improvement, Harrassment, and Anti-Bribery and Corruption.</p> <p>We have a range of communication forums for employees to engage in which occur at regular intervals. They are designed to encourage two-way communication across all levels within the business where we are all able to contribute towards Grainger’s strategic progress and improvement.</p> <p>We undertake bi-annual performance reviews, including career planning and development discussions.</p>	<p>We evaluate the effectiveness of our approach through undertaking internal reviews of our HR data. As part of this, we monitor key metrics, such as turnover and sick days.</p> <p>We also conduct annual employee satisfaction surveys. Feedback from this year’s survey has resulted in a number of initiatives, such as the creation of new forums for communication.</p> <p>In addition we benchmark our performance using the Global Real</p>

Aspect	Scope and Boundaries	Management Approach	Evaluation
Occupational Health And Safety		<p>We offer employment benefits including a Share Incentive Plan and Save As You Earn Plan (with most employees taking advantage of at least one) that align staff interest with the success of the business and our strategy</p> <p>The Executive Directors are directly responsible for people issues. The HR Director supports the Executive team on a day-to-day basis, and the Board receives a standing report on such issues at every meeting.</p>	<p>Estate Sustainability Benchmark and its Health and Wellbeing module.</p>
	<p>We have a whistleblowing procedure.</p>	<p>We have a Health & Safety Policy.</p> <p>The Board is responsible for establishing the Health & Safety Policy and assessing Grainger’s performance in Health & Safety matters, and receives a standing report on Health & Safety at every meeting.</p> <p>Our management approach includes:</p> <ul style="list-style-type: none"> - Specific internal management systems for health and safety - Established ‘three lines of defence’ model to facilitate stronger monitoring and controls - Online risk management systems for the identification, mitigation and reporting of real time health and safety management information. - Provision of Health and Safety training to employees - Specialist Health and Safety Director and team responsible for oversight of compliance - The Group Health and Safety Committee consists of members from across the organisation. The Committee continues to monitor the delivery of legal compliance in health and safety through audit and implementation of improvements to enable the Group to become ‘best in class’. - Regular reporting to the Executive Committee 	<p>We evaluate the effectiveness of our approach through undertaking internal reviews of our HR and Health & Safety data. As part of this, we monitor key metrics, such as absences, accidents and incidents.</p> <p>In addition we benchmark our performance using the Global Real Estate Sustainability Benchmark and its Health and Wellbeing module.</p>
	<p>We comply fully with the requirements of the Health & Safety Executive and monitor and report all Health & Safety accidents and incidents using RIDDOR. We report on our performance using Key Performance Indicators.</p>		

Aspect	Scope and Boundaries	Management Approach	Evaluation
<p>Training And Education</p>	<p>This Aspect has been deemed to be material because Grainger employs over 200 people and provides training and education opportunities to all employees. The scope of this Aspect covers staff directly employed by Grainger plc only.</p>	<p>Career development is underpinned by personal development plans for all staff. We undertake bi-annual performance reviews, including career planning and development discussions to determine training needs for our employees.</p> <p>We offer training events covering technical, professional, management and personal development competencies. We also support staff in studying for professional qualifications. We invested £518 per employee in training during 2015/16, providing 13 hours and 30 minutes of training on average.</p> <p>Sharing knowledge and experience is an important part of our development activities. Many of our training programmes are designed and delivered by our own staff through our Lunch and Learn workshops.</p> <p>We provide Management and leadership development training, and offer a graduate programme and Emerging Leaders and Leadership Programmes which provide access to first class management and business school institutions.</p> <p>We also provide training to Executive Directors and Board members. Training and updating in relation to a range of matters is provided to Board members throughout the year. Subjects include the business of the Group, legal and regulatory responsibilities of the Company and changes to accounting requirements. This training and updating is delivered by a combination of presentations by Grainger senior management and external advisers and by circulation of appropriate Board papers and briefing materials. Full inductions are provided to new Executive Directors and Board members.</p>	<p>We evaluate the effectiveness of our approach through gathering feedback directly from employees and through undertaking internal reviews of our HR data including monitoring employee turnover.</p> <p>We also conduct annual employee satisfaction surveys.</p>
<p>Diversity And Equal Opportunity</p>		<p>Grainger is committed to Equal Opportunities. We have employment policies on Equal Opportunity and Discrimination.</p> <p>Grainger supports the Davies Report's aspiration to promote female representation on Boards and follow the procedures recommended to maintain a diverse and balanced board. We currently have a female CEO, CFO, Chairman and Senior Independent Director.</p>	<p>We evaluate the effectiveness of our approach through undertaking internal reviews of our HR data.</p>

Aspect	Scope and Boundaries	Management Approach	Evaluation
		<p>We report on the gender split of all staff in our Annual Report and Accounts (pg 25)</p> <p>The Company gives full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities. In the event of an employee becoming disabled every effort is made to ensure that their employment within the Company continues and that appropriate training is arranged where necessary. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.</p>	
<p>Local Communities</p>	<p>This Aspect has been deemed to be material to our business due to the significant impacts our property development and management activities have on local communities. The scope includes our own residents in Grainger developed or managed communities, and existing residents and other community stakeholders in the communities around our assets and development sites. It also includes our corporate community investment activities.</p>	<p>Our management approach is to utilise our property management and development activities to maximise our positive impact on local communities through:</p> <ul style="list-style-type: none"> - Community investment, including supporting our charity partner LandAid - Our policy of providing a day's paid leave to employees for volunteering - Investing in local community amenities such as schools, public realm and infrastructure improvements - Providing sponsorship and free space for local charities and community organisations. - Encouraging our tenants to support their local economies and communities, such as by encouraging their use of local businesses. <p>We have community engagement commitments on all development sites and we currently have a target to create a best practice guide to community engagement that will be implemented across our portfolio. On larger assets such as our Wellesley site, we have a Community Strategy in place and a Community Manager to oversee its implementation. We have Key Performance Indicators for Community Investment and Apprenticeships. We also provide opportunities for residents and other stakeholders to share grievances or suggestions, including through our complaints procedure and resident feedback panels for some development sites.</p>	<p>In order to evaluate our approach, we monitor feedback from residents and other community stakeholders, and respond to any concerns that they have.</p> <p>In addition we benchmark our performance using the Global Real Estate Sustainability Benchmark.</p> <p>We undertake socio-economic impact assessments on our assets using the NLP eVALUATE methodology which measures our performance in social and community impacts.</p>
<p>Customer Health And Safety</p>		<p>We have a Health & Safety Policy which covers Customer Health and Safety.</p>	<p>We evaluate the effectiveness of our approach through undertaking internal reviews of our Health &</p>

Aspect	Scope and Boundaries	Management Approach	Evaluation
		<p>The Board is responsible for establishing the Health & Safety Policy and assessing Grainger’s performance in Health & Safety matters, and receives a standing report on Health & Safety at every meeting.</p> <p>Our management approach includes:</p> <ul style="list-style-type: none"> - Health and Safety Management System for the internal and external control of health and safety risks, which is managed by the Health and Safety Director. - Established ‘three lines of defence’ model to facilitate stronger monitoring and controls - Online risk management systems for the identification, mitigation and reporting of real time health and safety management information. - Specialist Health and Safety Director and team responsible for oversight of compliance - Regular reporting to the Executive Committee <p>We comply fully with the requirements of the Health & Safety Executive and monitor and report all Health & Safety accidents and incidents using RIDDOR. We report on our performance using Key Performance Indicators.</p> <p>We have introduced an integrated safety, health and environmental management system in Wellesley, which allows us to maintain and control standards across our supply chain on this large, diverse project.</p>	<p>Safety data and undertaking regular Health and Safety audits of external managing agents and contractors. This year 100 percent of contractors were fully in compliance with our requirements (received an audit rating of satisfactory or above); one managing agent did not meet our requirements and we are working closely with this organisation to ensure full compliance moving forward.</p> <p>We monitor key performance indicators, such as absences, lost day rate, accidents and incidents.</p> <p>In addition we benchmark our performance using the Global Real Estate Sustainability Benchmark and its Health and Wellbeing module.</p>

Appendix 2 - Stakeholder engagement

Stakeholder Group	Reason for engagement	Approach to engagement		Feedback mechanisms
		Frequency	Channels	
	The Board of Grainger believes that understanding the views of its Shareholders is a fundamental principle of good corporate governance; therefore strong engagement with stakeholders and investors is key to achieving this and progressing the business and its strategy.	Seasonal (around results and interim results)	<p>One-on-one meetings</p> <p>Third party administered surveys on an anonymous basis</p> <p>Programme of analyst/investor presentations</p>	As part of Grainger's governance processes, the executive board actively receives feedback, comments and concerns.
Our Investors	The framework of investor relations is set around the financial reporting calendar, with additional engagement taking place throughout the year when regarded beneficial to the Company. Grainger has held more than 100 meetings with Shareholders, analysts and potential investors in the year, in addition to the usual half-yearly results announcements and briefings.	Annually	<p>Improved Corporate Reporting, including investor relations website</p> <p>Full and Summary Sustainability Reports</p>	Concerns are brought to the attention of the board, debated, action taken where appropriate, and reported back to shareholders.
			<p>Property tours</p> <p>Responses to investor surveys, including, for example the CDP and the Global Real Estate Sustainability Benchmark</p>	
		Quarterly	Environmental Fund Reporting	

<p>Our Partners</p>	<p>We work closely with our development and investment partners. Our commitment to transparency and openness means we share the risks and rewards of our projects and learn from each other's expertise.</p> <p>Our joint venture partners and prospective partners are increasingly showing interest in our sustainability approach, just as we are keen to understand their social, environmental and economic performance.</p> <p>Part of Grainger's new strategy, launched in 2016, is to reduce the number of joint ventures and funds. Partnerships are aligned to our business strategy, focusing on long-term investment in rental housing, rather than in individual co-investment funds.</p>	<p>We engage with development partners and contractors on a project by project basis. Grainger's repairs and maintenance partners, Kier sit on our Sustainability Committee and we have a joint strategy to implement our aligned sustainability priorities. For more information on engagement with our partners, please see</p> <ul style="list-style-type: none"> 🔗 ARA (2016) – People, relationships and resources (p24-27) 🔗 Investing in Communities and Places 🔗 Responsibility to Stakeholders 	<p>Feedback is collected from our partners through team meetings, management committees and staff surveys.</p>				
<p>Our Employees</p>	<p>Employee engagement has been a key focus of the leadership team over the course of the year, a period of challenges and change within the organisation, including internal restructuring and the sale of two business divisions</p> <p>We have a range of communication forums for employees to engage in which occur at regular intervals. They are designed to encourage two-way communication across all levels within the business where we are all able to contribute towards Grainger's</p>	<p>People, relationships and resources (p24-27)</p> <table border="1"> <tr> <td data-bbox="896 989 1120 1244">Twice-weekly</td> <td data-bbox="1120 989 1680 1244"> <ul style="list-style-type: none"> • The investment committee meets twice weekly to discuss opportunities with the CFO, CEO, property director and other senior colleagues. This meeting also looks at research, and the alignment of investment opportunities to Grainger's business strategy. </td> </tr> <tr> <td data-bbox="896 1244 1120 1396">Weekly</td> <td data-bbox="1120 1244 1680 1396"> <ul style="list-style-type: none"> • Grainger Intranet with internal news and industry news </td> </tr> </table>	Twice-weekly	<ul style="list-style-type: none"> • The investment committee meets twice weekly to discuss opportunities with the CFO, CEO, property director and other senior colleagues. This meeting also looks at research, and the alignment of investment opportunities to Grainger's business strategy. 	Weekly	<ul style="list-style-type: none"> • Grainger Intranet with internal news and industry news 	<p>The intranet is a two-way method of communication, where employees can leave feedback, and receive</p>
Twice-weekly	<ul style="list-style-type: none"> • The investment committee meets twice weekly to discuss opportunities with the CFO, CEO, property director and other senior colleagues. This meeting also looks at research, and the alignment of investment opportunities to Grainger's business strategy. 						
Weekly	<ul style="list-style-type: none"> • Grainger Intranet with internal news and industry news 						

<p>strategic progress and improvement. Feedback from this year's survey has resulted in a number of initiatives, such as the creation of new forums for communication</p>		<ul style="list-style-type: none"> • Senior management committee meetings, the findings of which are cascaded out into smaller team meetings 	<p>answers to comments and questions.</p>
<p>In 2013 we engaged our employees in a bottom-up approach to define our values. ARA (2016) – People, relationships and resources (p24-27)</p>	<p>Bi-monthly</p>	<ul style="list-style-type: none"> • Grainger company-wide memo • Operations board meets to discuss complaints, actions, learnings, lettings, property management, repairs and maintenance. 	
	<p>Monthly</p>	<ul style="list-style-type: none"> • Executives host meetings and events with junior staff members and commit to visit each office at least once a year 	
	<p>Quarterly</p>	<ul style="list-style-type: none"> • Strategic meetings for senior leadership, the findings of which are cascaded down to teams • Executive review of performance 	<p>Any issues or comments from employees are raised in the quarterly strategic meetings. Staff have the opportunity to ask questions to senior management at all staff events.</p>
	<p>Bi-annual</p>	<ul style="list-style-type: none"> • All staff conference calls • Employee surveys and feedback from staff 	<p>Shortly after releasing company results, staff conference calls, which have open Q&A sessions to allow feedback.</p>

<p>Our Tenants</p>	<p>Our tenants know that they can trust us as a professional and responsible landlord, looking after them and their homes. ARA (2016) – p6, 27</p>	<p>Available 24/7</p>	<ul style="list-style-type: none"> • Out-of-hours emergency helpline • Dedicated repairs and maintenance number • Tenant information website • Online residents' forums and portals 	<p>ARA (2016) – People, relationships and resources (p24-27)</p> <p>Feedback is also collected from customers, complaints process, feedback forums, surveys.</p>
	<p>The residents of our properties are very important to us, as they are the heart of our business. We have a duty to deliver high quality, reliable tenant services. We employ a variety of tenant management methods, selecting the most appropriate for each tenancy type.</p>	<p>Daily during office hours</p>	<ul style="list-style-type: none"> • Access to property managers via telephone, email and SMS 	
	<p>We aim to provide excellent service to tenants and continually engage with them to learn how we can do better.</p>	<p>Beginning of each new tenancy</p>	<ul style="list-style-type: none"> • Welcome letter • Tenant welcome packs including tenant guide and green tips • Tenant satisfaction survey (for shorthold tenants) 	
	<p>After the release of the new strategy this year, Grainger is accelerating its transformation into a direct provider of homes to rent, increasing the importance of customer service. The increase in business to consumer operations means that Grainger has re-focused its technology, marketing and investment decisions on customers; into delivering what they value and want.</p>	<p>When a repair is reported</p>	<ul style="list-style-type: none"> • Repair response satisfaction survey (for monthly tenant samples) 	
		<p>End of each tenancy</p>	<ul style="list-style-type: none"> • Tenant satisfaction survey (for shorthold tenants) 	
	<p>Project-based</p>	<ul style="list-style-type: none"> • Focus groups • Surveys 	<p>Focus groups are held at all new projects, and research is undertaken to ensure that asset design is customer-focused.</p>	

		Bi-annual	<ul style="list-style-type: none"> • Surveys 	<p>Grainger will be introducing a new survey process in 2017, which collects feedback from customers and feeds into practical actions. Twice a year, this survey will be sent out to all PRS tenants, as well as the surveys sent at key trigger points (e.g. move in)</p>
<p>Local Authorities</p>	<p>We rely on the support of local authorities and planning departments to be a successful developer. Grainger is committed to engaging in open dialogue with local authorities about our ideas and plans for developing spaces and to working collaboratively to achieve positive solutions.</p> <p>We believe that social, economic and environmental value are mutually enhancing when creating new communities. This is central to the success of our relationships with local authorities and allows us to generate profit while being a responsible partner in the community.</p> <p>Our partners in local and central government are important to us. We are aligned in our objective of creating new high-quality homes. ARA (2016) – p11</p>	<p>On a project by project basis</p>	<p>Meetings, letters, website and targeted public relations during development projects, including:</p> <ul style="list-style-type: none"> • Statutory planning consultations • Neighbourhood workshops • Participation in local organisations and community groups • Place-making strategies for developments <p>Grainger has also attended and hosted meetings with LondonFirst and the BPF in order to educate local authorities on the build-to-rent market.</p> <p>In 2016, Grainger has been speaking with Salford local authority about showcasing historical artefacts in the Clippers Quay development, integrating the local community, history and heritage of the area with place-making and community-building.</p>	<p>There is a large engagement process with local authorities for projects which are in construction or going through the planning process, during which there is an ongoing dialogue with the local authority to discuss events and showcase initiatives in the local area.</p> <p>Barking and Dagenham council spoke to other local authorities at Grainger's offices about how it has supported them with their ambitions from the local area, encouraging other councils to learn from their experiences.</p>

<p>National and regional Government</p>	<p>As the UK's largest residential landlord, we have a duty to share our unique expertise with policy-makers on a national and regional level. Engaging with government increases the value we can deliver to shareholders and advances sustainability policies on a national scale.</p> <p>Our partners in local and central government are important to us. We are aligned in our objective of creating new high-quality homes. Grainger is an active contributor to the UK housing debate and engages proactively with central and local government to positively influence policy to enable our sector to invest in more good-quality homes for rent.</p>	<p>On an ad hoc basis</p>	<ul style="list-style-type: none"> • Direct consultation via face-to-face meetings, letters, consultation responses or other public policy research. • Indirect consultation through industry bodies • The Better Renting for Britain campaign engages government on how we can support additional housing supply, and deliver improved quality and standards. Local economies are also discussed in relation to investment and regeneration. • Responding to phone and email enquiries • Secondments to taskforces as required <p>ARA (2016) – People, relationships and resources (p24-27)</p>	<p>Grainger has a bespoke and organic approach to community engagement, whereby we aim to discover what communities want, and how Grainger can support and enable that.</p> <p>In 2016, community steering groups at Wellesley met regularly to discuss challenges and opportunities.</p>
<p>Local Communities</p>	<p>Grainger sees all of its communities as partners, and as such, feedback is both reactive and proactive.</p> <p>Our new strapline, 'with Grainger', highlights the open and level relationship we have with our communities.</p> <p>We make efforts to engage extensively with community representatives where we are undertaking development work. We utilise an internal guide to working effectively with communities where we hold significant property assets or plan to carry out major</p>	<p>On a project by project basis</p>	<p>Meetings, letters, our website and targeted public relations during development projects, including:</p> <ul style="list-style-type: none"> • Neighbourhood workshops • Participation in local organisations and community groups • Dedicated project newsletters and websites • Residents meetings and steering groups (both formal and informal) <p>Grainger hosts many events and supports the local initiatives of its developments. For example,</p>	<p>Grainger has a bespoke and organic approach to community engagement, whereby we aim to discover what communities want, and how Grainger can support and enable that.</p> <p>In 2016, community steering groups at Wellesley met regularly to discuss challenges and opportunities.</p>

	works. This guide is based on industry best practice.		this year Wellesley supported a firework show, and hosts the local Scouts group at Wellesley woodlands.		At Walworth, quarterly residents meetings provide a platform for residents to raise concerns.
NGOs & Charities	<p>Grainger is always open to dialogue with NGOs and strives to build close working relationships with charity partners, such as Business in The Community.</p> <p>We welcome the views of NGOs and seek to incorporate them into our business activities as appropriate.</p>	<p>For more information on engagement with NGOs and Charities please see Investing in Communities and Places</p> <p>Grainger plc has a long-term corporate relationship with LandAid, contributing through volunteering and fundraising.</p> <p>Additionally, employees are able to nominate and support other charities of their choosing.</p>			Where there are shared interests and areas of concern, Grainger engages NGOs, such as Age UK, Shelter, Crisis and local charities near our projects.
Industry Bodies	<p>We have close links with a range of industry bodies, which are detailed to the right.</p> <p>We also support business groups including the CBI, London First and the North East Chambers of Commerce.</p> <p>Grainger representatives sit on the committees of the British Property Federation (BPF) and the Urban Land Institute and Grainger is a member of the Global Real Estate Sustainability Benchmark.</p> <p>We also seek to actively participate in industry research.</p> <p>Every area of technical expertise within Grainger, from development through to</p>	<p>Ad hoc engagement on relevant topics and attendance at regular committee meetings</p>	<ul style="list-style-type: none"> • BPF Policy Committee • BPF Residential Committee – <i>including sustainability issues</i> • BPF Communications Committee (<i>Chair</i>) – <i>including sustainability, community and engagement</i> • BPF Residential Management Committee • BPF REIT working group • BPF PRS working group • BPF Build-to-Rent working group • BPF Planning Committee (<i>Associate</i>) • Urban Land Institute - UK Residential Council • Global Real Estate Sustainability Benchmark (GRESB) • GRESB industry working groups • Better Renting for Britain campaign – <i>founding member</i> 		<p>Grainger raises concerns with industry bodies such as the BPF, which are in turn represented to others. Additionally, the BPF challenges the industry, and feeds back to Grainger plc on what property companies should be doing to improve issues.</p> <p>This ensures that Grainger is at the forefront of placemaking, estate regeneration and sustainability, allowing us to understand industry priorities and identify how best practice and good</p>

	<p>lettings, also has relevant professional accreditations, associations and memberships throughout, such as health and safety, accountancy, and chartered surveyors.</p>		<ul style="list-style-type: none"> • REIT Working Group • Global Reporting Initiative (GRI) • Carbon Disclosure Project (CDP) • EPRA Sustainability Performance Measures • FTSE4Good • London First • London Rental Standard accreditation • UK Apartments Association • The House Builders Federation • The Association of Residential Letting Agents • The Royal Institute of Chartered Surveyors • The European Public Real Estate Association (EPRA) 	<p>governance will adapt in the future.</p>
<p>Media & Public</p>	<p>The media is the primary channel through which our company is represented to the public. We manage this relationship to foster transparency and trust. A positive relationship will ensure that our public image is protected and Grainger is fairly and accurately represented.</p>	<p>On an ad hoc basis</p>	<ul style="list-style-type: none"> • Grainger website • Targeted public relations including press releases • Responding to phone and email enquiries • Monitoring feedback on social media 	<p>Grainger has a proactive as well as reactive relationship with the press, and has a regular engagement programme, answering queries from the general public.</p>
<p>Suppliers and contractors</p>	<p>Grainger's success is predicated on more than just our property portfolio. Critical to our sustainable future are our people, our relationships with customers, partners and suppliers, and our impact on the world around us. Our investment in these areas is essential to the success of our business.</p>	<p>For more information on engagement with our suppliers and contractors please see ARA (2016) – People, relationships and resources (p24-27) Environmental Management System</p>	<p>For all suppliers where we seek to have or where a development / project requires it, we will set in place mechanisms for supplier engagement. For example, for our major Repairs and</p>	

The relationships we have with our partners and suppliers are fundamental to our business model. Our partners supplement and complement Grainger's position and enable us to amplify our business activities, and they are an extension of our business. We therefore work very closely with them and ensure that our contracts require them to uphold the high standards we set so that we deliver the products and services that our customers expect, and ensure that we make a positive impact, drive performance and manage risk accordingly.

[ARA \(2016\)](#) – p24-25

We also work with our suppliers to raise their standards of environmental performance and social responsibility.

Maintenance provider, Kier, we engage at a number of levels – ranging from a strategic partnership board to operational (core) groups to address day to day issues to Health and Safety committees. For development activities, the role of Health and Safety is crucial, in part driven by CDM requirements and requiring site wide engagement and co-ordination of activities.

This year, Grainger completed a review of the repairs and maintenance supply chain this year, and has adjusted how the relationship with Kier is contracted in the north of the country, based on feedback from customers, staff and Kier.