

Building value  
from  
our values



Defining the path ahead

Corporate Responsibility Summary 2013

Investing in homes since 1912  
**grainger plc**

# who we are

We embrace the many faces of “value” – financial, social, environmental, ethical, and reputational – that make a company great. Grainger’s hundred year history has been built on a strong set of values and for the first time, we have defined and written them down. We are sharing these with our customers, our investors and our partners as part of defining the path we want to take as a successful, responsible business.

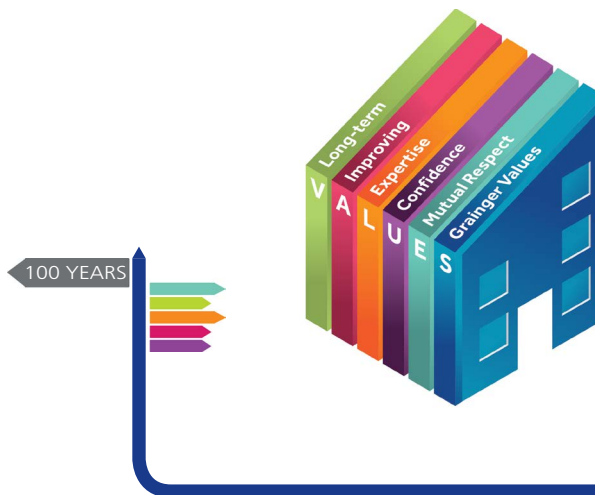
## letting our values guide us

our values are...

As a responsible business, we take a **long-term** approach to what we do. We are proud to be, and committed to continuing as, the leader in the residential property sector. This means...

We are always striving to be the best, whether it's **improving** how we do things or finding new opportunities that give us the edge in the residential market. Our **expertise** is the key to our success, creating **confidence** in both ourselves and others.

At the heart of all of this is a **mutual respect**, whether it is for colleagues, customers, competitors, communities or our clients.



# ...at the heart of everything we do

## a cohesive strategy

Our values reflect our corporate responsibility (CR) strategy. The two are closely linked and will continue to support each other in the future to ensure long-term financial stability.

Connecting corporate responsibility to our core business strategy is beginning to deliver value for our stakeholders and embedding our values will accelerate that process.

We believe that a meaningful corporate responsibility strategy provides a competitive advantage for **leadership** in the residential sector. We prioritise locating our assets in areas that deliver the best **returns** for our partners and investors, capitalising on long-term trends such as growth in the Private Rented Sector (PRS), and actively measuring the sustainability risk of our properties. Our **balanced** financial approach and the **optimisation** of our assets and income ensures the long-term sustainability of our organisation.

At the heart of our strategy, our **values** guide the behaviours of our employees in operating as a responsible business, and are supported by stretching **CR targets** and benchmark **Key Performance Indicators (KPIs)** that minimise our exposure to sustainability risks and enable us to capitalise on opportunities.

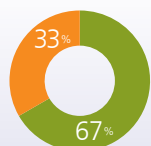


*"Our values set guidelines for behaviours and a framework to make good commercial and ethical decisions – in this way, they mirror our Corporate Responsibility programme."*

Andrew Cunningham, CEO

# our achievements in 2012/13

## targets



### overall target progress

- ✓ Achieved
- » Partially achieved
- ✗ Not achieved



Our values defined



2,423 tonnes CO<sub>2</sub>e emissions reported under UK mandatory carbon reporting requirements



Improved UK tenant satisfaction survey process, achieving an 88% response rate



Two pieces of customer-needs research commissioned



Assessed flood risk of 13,500 properties



Insulation added to 51 Units using ECO-funding



Increased EPC ratings for 17 out of 20 units in a pilot to measure the impact of energy efficiency improvements



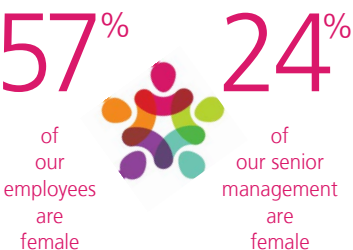
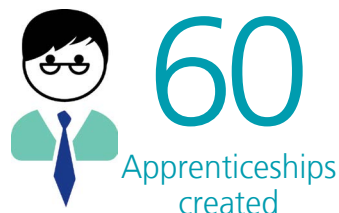
Eight managing agents trained and audited on health & safety and environmental standards



Sustainability requirements are a key aspect of our ten-year contract with Kier worth £50 million

for our full target review, please see our [Annual Report & Accounts](#)

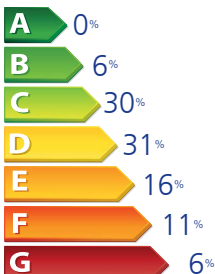
# key performance indicators



Business travel CO<sub>2</sub>e emissions



Our GRIP and UK Residential portfolio EPC ratings



GRIP properties: 1251  
UK Residential properties: 1065

for detailed performance data including EPRA Sustainability Performance Measures please see our Annual Report & Accounts

# our journey

## highlights from 2012 and 2013

2012

2013

Royal Borough of  
Kensington and  
Chelsea selects

Grainger as  
developer for its  
expertise and long-  
term view

Sustainable investor  
APG chooses  
Grainger's GRIP fund to  
invest in

Finalist at  
Responsible  
Business Awards  
for employee  
engagement

Grainger partners  
with Kier to deliver  
best in class repairs  
service to customers

CR Innovation Day  
engages staff in  
developing a vision  
to meet the needs  
of the UK housing  
sector

Grainger celebrates  
100 year anniversary  
with research on the  
future of housing

Grainger's GRIP fund  
begins to measure  
energy consumption and  
plan improvements to  
sustainability performance

Grainger's values  
launched

Grainger publishes  
first mandatory  
carbon statement  
– 2012/13  
emissions are  
2,423 tonnes CO<sub>2</sub>e

join us on our journey to build value from our values - find out more at [graingercr.com](http://graingercr.com)  
or contact Dave Butler, Director of Strategy & Change | +44 207 795 4708; [dbutler@graingerplc.co.uk](mailto:dbutler@graingerplc.co.uk)



# examples of our values in action

## long-term view

sustainability is part of our competitive advantage

Delivering long-term financial value means keeping our customers happy, running our buildings efficiently, and building a brand recognised for quality in the London residential marketplace. We are fortunate to have a co-investor in the GRIP fund, APG, that shares our interest in defining a path for the Private Rented Sector. We have made solid progress in 2012/13, from surveying customers to measuring energy consumption.

Next year, we will take more steps towards building value for investors in GRIP by improving customer communication on sustainability, upgrading our lowest Energy Performance Certificate (EPC) rated flats and installing water meters to better manage this important resource. We are keeping our eye on the long-term as well, moving towards purpose-built, luxury rental buildings with whole-lifecycle costing integrated from the first design drawings.

*“What we’re doing with sustainability is not a tick box exercise, it’s about improving the asset performance and making a product that gives better choice to the tenants.”*

Paul Ruston, GRIP Asset Manager

## improving

making the tenant experience a great one

Our ten-year partnership with Kier will deliver a constantly improving standard of repairs and maintenance, and cost savings of approximately £2m per annum. Customers are guaranteed an appointment the first time they call and for emergency repairs to be carried out within four hours. This is one example of how we are improving the business efficiency and customer quality of our services.

We aim to offer the best in class experience to our PRS tenants and delight them with a bespoke service that surpasses their expectations. We have commissioned a large piece of research on what exactly this means for Grainger tenants, as part of our continued drive to improve the customer experience.



## expertise & confidence

our expertise in CR inspires confidence in ourselves and our partners

Grainger's success in winning planning permission for Aldershot in just six months was due to extensive community engagement and our innovative vision for the development. Where other developers propose standardised house types, Grainger takes a different approach, combining our expertise in managing multiple partners and delivering build-to-rent properties to create a high quality, connected neighbourhood.

This commitment to delivering sustainable developments does not stop at the planning stage. Our Environmental Management System (EMS) ensures confidence and trust in our contractors through fortnightly meetings on our development sites. The consistently high scores we obtain in the Considerate Constructors Scheme demonstrate our success in minimising negative impacts on local residents and the environment around our sites.

Our long-term view was key to winning a 125-year partnership with Royal Borough of Kensington and Chelsea to deliver sustainable and well-managed private rented homes that are in high demand in the local community, and our innovative asset management models inspire trust from partners including APG on

our GRIP fund and Lloyds Banking Group on our RAMP business.

Grainger's commitment to transparency through extensive CR reporting and our position on the FTSE4Good Index demonstrate to our employees, investors and partners the confidence we have in our operations and in anyone we do business with.



Our forthcoming development at Wellesley, Aldershot

*"Partners and investors like APG and the Ministry of Defence have clear standards of corporate behaviour and responsibility - a robust corporate responsibility track record is on par with our status as a listed company, our large portfolio, and geographic diversity in making Grainger a partner of choice."*

Andrew Cunningham, CEO



## mutual respect

we want to know so we can make it better

Respecting our customers means listening to them, and for the past three years Grainger has been experimenting with different ways of getting meaningful customer feedback. This year, we piloted a new phone survey with 135 tenants who moved in or out of the properties that we manage over a one-month period. We achieved an 88% response rate and gathered insightful comments that would have been missed in our old online approach. Our tenant survey highlighted the move-in experience and customer communication as areas for improvement. We can build our brand value and market share in the long-run by responding effectively to our customers' feedback.

This is part of an ongoing process of listening to our customers. For example, the company-wide customer complaints procedure introduced in 2011 means that all complaints received are logged and carefully reviewed by management, including the Executive Board.

We are grateful to our tenants for sharing their feedback and defining the path we need to take to deliver a mutually beneficial and best in class service.

### what we found out

75% of tenants were satisfied with the service they received over their tenancy

66% would recommend Grainger to their friends

75% felt energy performance was an important factor when choosing a rented property

### what we're doing about it

Introducing new and improved communication, repairs and move-in processes

Measuring the success of our customer service improvements in 2014

Assessing the condition of our properties in 2014 and putting in place a long-term programme of upgrades from 2015

*"I feel for the first time that we are getting tangible feedback on what we can do to improve. It may sound paradoxical, but what people complain about excites me most, because we can work on solving these problems."*

Nick Jopling, Executive Property Director

# what the future holds

## 2013/14 CR targets

Looking ahead, we will continue along the path of embedding CR into all our business activities. Our 2013/14 CR targets support our aim to integrate our values throughout all business decisions and to focus our CR programme on big picture solutions.

- 1 Measure and improve tenant satisfaction in GInvest and WIP portfolios between 2013 and 2014
- 2 Define and improve the PRS customer communication experience
- 3 Implement Property Conditions Assessments within repairs and maintenance programme
- 4 Implement embedding plan for our values
- 5 Create a joint multi-year strategy with Kier to implement Grainger and Kier's CR priorities in property maintenance
- 6 Report on the GHG emissions generated by Kier in delivering services for Grainger in 2013/14 and set a target to reduce footprint in 2014/15
- 7 Integrate Grainger's EMS into the procurement process
- 8 Incorporate the reporting of sustainability risks within the Group's Risk Management framework and implement processes for managing material sustainability risks
- 9 Actively contribute to organisations that measure sustainability in real estate, to drive the residential perspective



OUR FUTURE