

Grainger Environmental Policy Statement

Grainger plc is the UK's largest listed specialist residential landlord with approximately £2.1bn of assets and £2.8bn of assets under management. The Group owns, acquires and trades regulated and market-let tenanted properties and has a substantial portfolio of home reversion properties. The Group also undertakes fund, property, and asset management and is also active in residential-led development. This Environmental Policy refers to all our activities in both the UK and Germany.

The board of Grainger plc accepts that the company's activities have an effect on the environment through the use of land and the consumption of resources as a result of its operation and during the development process.

The company recognises that environmental protection, resource efficiency and sustainable development are necessary to ensure environmental damage is limited and that positive actions should be taken to improve the existing environment for future generations. We believe that by addressing sustainability we are able to add value and grow our business by anticipating legislation, operating more efficiently, responding to stakeholder concerns and satisfying our customers. We have incorporated our key social, environmental and economic impacts into our five year Business Strategy to ensure that our CR policy and strategy is aligned with our core business principles and well-embedded into our organisation.

Grainger recognises that its most material impacts arise from its portfolio of residential buildings, over which it does not have direct control. Therefore Grainger works to engage and educate its tenants to encourage them to reduce their own environmental impacts and ensures refurbishments are carried out to high environmental standards.

The company will consider the environmental implication of its activities on an ongoing basis, in order that it can act in an environmentally responsible manner. It will implement management systems to ensure compliance with environmental legislation and codes of practice. Beyond this, Grainger is committed to continuously improving its environmental performance through regular reviews and ongoing monitoring of the group's performance against appropriate indicators.

Specific objectives will include:

- **Objective 1:** We will comply with relevant legislation and work towards good practice in sustainability to ensure we are well prepared for emerging legislation and that we continue to meet stakeholder and customer expectations.
- **Objective 2:** We will maintain our commitment to reduce the carbon footprint of all developments by aiming to achieve Code for Sustainable Homes level 3 for all new developments as a minimum and in some cases aiming for level 4. By doing this Grainger is able to
 - reduce the emissions of the homes it builds by at least 25% (against building regulations 2006)
 - reduce likely water consumption to 105 litres/person/day (a 30% reduction on average UK consumption)

- **Objective 3:** We will reduce our direct carbon emissions (associated with our offices) through initiatives implemented by our nominated 'Sustainability Champions'.
- **Objective 4:** We will proactively communicate with and educate customers to assist them in using our properties and services in an environmentally sensitive manner;
- **Objective 5:** We will take a long-term approach to asset management by integrating environmental considerations into the design of new developments and refurbishment projects, to ensure that houses and fittings minimise adverse impacts on both the natural and built environments. This will be beneficial to our customers, investors and the environment.
- **Objective 6:** We will consider environmental issues within our corporate functions and everyday business decision-making processes and develop our commitment to an environmentally-friendly working environment.
- **Objective 7:** We will engage with prioritised suppliers and contractors, including managing agents, to ensure that they are aware of and able to deliver the company's environmental commitments.
- **Objective 8:** We will liaise with local communities and demonstrate that their concerns have been considered during the development process; and
- **Objective 9:** We will minimise nuisance arising from construction activities (such as noise, dust and contamination) and prevent pollution on development sites (including minimising emissions to air and water).
- **Objective 10:** We will minimise waste production through effective design, on-site management and through engagement with tenants to encourage recycling.
- **Objective 11:** We will protect and enhance biodiversity for the benefit of the environment, local residents and the wider community.
- **Objective 12:** We will minimise the impact of our own operations with the help of our nominated Sustainability Champions from each office.
- **Objective 13:** We will provide safe and healthy working environments for our employees and sub-contractors.

In order to achieve this, we require all managers and employees to demonstrate environmental awareness, and to implement the appropriate procedures. We will also communicate our environmental policies and performance to all relevant stakeholders via appropriate reporting mechanisms.

To ensure we are able to uphold the aspirations of our policy we have the following management structures in place:

- We have an established group of Sustainability Champions representing each of our offices in the UK and Germany to ensure that our sustainability vision is implemented throughout our business.
- We set annual sustainability targets, focused on five key areas. Target owners are identified and are responsible for achieving them.

- Target owners provide feedback to Dave Butler, Director of Corporate Affairs and Responsible for co-ordination of the CR programme, on a regular basis. Dave Butler reports back to the Operations Board, who address CR risks and strategy for management every month, with a more in depth CR target tracking session every quarter. The operations Board reports back to Nick On, the Company Secretary. Ultimate responsibility for CR lies with Andrew Cunningham, CEO.

We review our policy regularly to address current issues and reflect best practice. This policy statement was reviewed and updated in June 2010.

Signed:

Andrew Cunningham, Chief Executive Officer

Date: