



GROSVENOR

Supply
Chain
CHARTER

Partnering with businesses that share our values
and commitment to delivering social, economic and
environmental change.



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Foreword

As a family-owned property company, Grosvenor has been creating and managing great places and communities – both in the heart of London and across the UK – for more than three centuries.



Our reputation is built not just on the places we create and manage, but on our understanding of the need to develop communities, neighbourhoods, streets, public squares, green spaces, workplaces and homes that leave a lasting positive legacy. We have thrived by adapting.

We live in an age where companies must look closely at the impact they have on the world around them and ask themselves some important questions:

- Are we doing enough to manage the social, environmental and ethical risks associated with our business activities?
- Are we working hard to ensure the health, wellbeing and safety of the people we employ, and those who live and work in the spaces we create?
- Are we doing as much as possible to make sure that we are creating lasting benefits for our neighbourhoods and society?

Are we making sure that the companies we partner with, our supply chain, understand our approach to these issues, and can work with us to meet our goals?

Stronger partnerships with our suppliers can help us to answer these questions, and together we can achieve even more.

This charter is the result of a comprehensive review of our working practices in the UK and our supplier relationships.

Across twelve distinct areas, it clearly sets out our responsibilities and ambitions, and the standards we expect of the suppliers we work with. And because change is constant, we've also set out the advanced expectations we believe our suppliers should aspire to.

The UK, and London in particular, faces a number of challenges. We need deeper collaboration with our suppliers if we're to continue to positively contribute to our communities and to keep

driving the success of the West End, London's economic and cultural powerhouse. We also recognise our impact is not limited to the UK and therefore as our understanding of our supply chain deepens, we will seek to engage with our suppliers from end to end.

We are committed to tackling these challenges and see these commitments as an important framework for delivering lasting social value to our residents, tenants, customers, staff and all those who come in contact with our business and places.

I am proud to put my name to this charter, and greatly look forward to working with our partners to support the delivery of its aims and objectives.

James Raynor
Chief Executive Officer, Grosvenor Britain & Ireland

About us

a total pipeline of around
30,000
new homes
over the next five years

1,397
assets under management
in the UK

£
As at 31st Dec 2017
5.2bn
assets under management

Grosvenor Britain & Ireland creates and manages high-quality neighbourhoods that are great places to live, work and visit.



We are a landlord, master developer, builder, asset manager, and public sector partner. Our diverse property development, management and investment portfolios include the London estates of Mayfair and Belgravia and other developments in London, Oxfordshire and Cambridgeshire.

We believe it is vital that our capital city evolves to meet the needs of our ever-changing society and have a 20-year vision to transform our London estate and tackle the growing pressures it faces.

Beyond London, we have plans for a pipeline of 30,000 homes in the next five years across new neighbourhoods.

Our business is part of the Grosvenor Group, one of the world's largest privately-owned property companies, which develops, manages and invests in more than 60 cities around the world. Our approach to sustainability is to embed environmental, economic and social outcomes into our business plan, policies and processes. In this way we will work towards creating, managing and investing in sustainable places that deliver social, environmental and economic benefits for everyone.

For more information visit www.grosvenor.com

Pathway for Existing Suppliers

Supplier signs up to the Charter.

Supplier works with Grosvenor to develop an action plan (if appropriate) incorporating the relevant commitments.

Action plan is reviewed regularly.

Lessons learned are shared and the action plan is updated as appropriate.

Pathway for New and Renewed Suppliers

Supplier assessed against minimum and advanced Charter commitments and undertakes a Pre-Qualification questionnaire.

Successful suppliers develop an action plan (if appropriate) to deliver the commitments.

Action plan is incorporated into performance obligations and supplier signs up to the Charter.

Action plan is reviewed regularly and forms part of performance management conversations.

Lessons learned are shared and the action plan is updated as appropriate.

What we expect from our suppliers

Our Supply Chain Charter clearly sets out the standards we set for ourselves, and the suppliers we work with.

As our supplier, we will work with you to assess, monitor and improve your compliance with our standard requirements and your contribution towards our advanced expectations.

How we engage with you will be proportionate to the size and nature of your business and how you work with us.

We expect all suppliers to support our Supply Chain Charter in principle.

We are adopting a phased implementation approach:

- Key existing suppliers will be asked to follow the pathways we have set out above.
- All existing suppliers tendering for new business with us or renewing an existing contract, and any new supplier, will be asked to follow the pathways we have set out above in a phased approach, or at the time of tender/renewal.
- We recognise that our suppliers may have complementary supply chain policies and reporting systems. Where these exist, we will work with you to capture and report relevant data. If you do not have a reporting system in place, we would expect you to use ours.

Our ultimate goal is that our whole supply chain has embedded the ethos of the Supply Chain Charter's Commitments.

We will work with you to:

- Identify resources and networks to support you to meet our advanced commitments;
- Promote and share best practice where we see it; and,
- Share lessons learned.

This document should be read in conjunction with our:

- Sustainability Requirements for Development Projects
- Sustainability Policy
- Health and Safety Policy
- Materials Schedule
- London estate vision

Please visit www.grosvenor.com for further information.

Investing in your success

This charter outlines how we expect our supply chain to work with us to deliver social and environmental value in the areas where we operate. However, we are keen to make sure it doesn't place excessive demands on the businesses we choose to work with.



Support available to suppliers

We want to enable all suppliers, large and small, to help us deliver enduring social value. We know we must work together to achieve genuine change.

At no additional cost to our supply chain, we have invested in a number of resources to help the businesses we contract to adapt successfully alongside us. We will continue to look for opportunities to expand on our support system.

We are partners with the Supply Chain Sustainability School, who offer suppliers free training on sustainability, offsite construction and management techniques designed to embed change.

We have a dedicated supply chain reporting system, which helps monitor and map our supply chain impacts, identifying inefficiencies and mitigating risks.

Along with our property sector peers, we have created a network of local resources, ensuring our supply chain has easier access to local supplies, workers and apprentices, as well as organisations that help to bring unemployed people back to work. For more information on the organisations that can help to support your business and your staff, please see page 5.

We retain a number of consultants to advise suppliers on the most effective means of delivering social value.



Resources available

We encourage suppliers to seek tailored support in order to upskill staff and their own supply chain. The following organisations may be able to offer support:

The Supply Chain Sustainability School
The Supply Chain Sustainability School is a collaboration between clients, contractors and first-tier suppliers who have a mutual interest in building the skills of their supply chain. It offers free, best-in-class training on sustainability, offsite construction and management techniques to help suppliers lead on and embed change. Grosvenor Britain & Ireland is one of 70+ partners helping to fund and direct the School.
www.supplychainschool.co.uk

Heart of the City
Heart of the City is the country's largest responsible business network for small companies. They have helped hundreds of London firms to do business better.
www.theheartofthecity.com

UK Green Building Council
The UK Green Building Council's mission is to radically improve the sustainability of the built environment, by transforming the way it is planned, designed, constructed, maintained and operated. As well as challenging standards and influencing policy it produces cutting-edge research about the future of the built environment.
www.ukgbc.org

The Construction Industry Research and Information Association
As a neutral, independent and not-for-profit body, CIRIA links organisations with common interests and facilitates a range of collaborative activities that help improve the construction industry.
www.ciria.org

Urban Land Institute
ULI is a non-profit research and education organisation dedicated to creating better places. It has 40,000 members worldwide, representing the entire spectrum of land use and real estate development disciplines working in private enterprise and public service. ULI facilitates an open exchange of ideas, information, and experience among industry leaders and policymakers.
www.europe.uli.org

Better Buildings Partnership
The BBP is a collaboration of the UK's leading commercial property owners who are working together to improve the sustainability of existing commercial building stock.
www.betterbuildingspartnership.co.uk

Fit For The Future
Fit for the Future is an environmental sustainability network with over 100 charities, heritage organisations, cultural venues, public sector organisations and more in its membership. By collaborating and sharing knowledge, our members are becoming climate-friendly, adaptive and resilient.
<https://fftf.org.uk>

A photograph of two men sitting at a table in a bright office setting, engaged in a conversation. The man on the left is wearing glasses and a checkered shirt, holding a pen. The man on the right is wearing a grey blazer and a brown shirt, smiling. A large teal number '1' is positioned on the right side of the image.

Working with our supply chain

Our commitment

We will work closely with our supply chain to deliver lasting environmental, commercial and social benefits, while promoting the values of respect, trust and integrity.

In practice, this means we make a commitment to:

- Operate and communicate with transparency and clarity.
- Operate to the highest ethical standards and best practice.
- Support¹ suppliers to build their competence to improve performance and foster a culture of continual improvement.
- Encourage suppliers to cascade our operating standards throughout their respective supply chains.
- Demand high levels of measurable performance - from both ourselves and our suppliers.
- Make available resources required to deliver our projects or work.

We aspire to:

- Work with suppliers to use digital technology that delivers operational efficiencies and innovation.
- Build trusted relationships that do not require retention agreements.





Health, safety, security and wellbeing

Our commitment

We aspire to the highest standards of safety, security and wellbeing – for occupiers of our buildings, the people working in our supply chain and those who may be affected by our activities.

We will ensure that all of our staff are appropriately trained with the skills needed to deliver the health and safety activities required for their roles. We will maintain our continual improvement approach and certification to ISO 45001. We will share information, best practices and lessons learned.

Standard requirements

All suppliers are expected to meet the following entry-level standards for health, safety and wellbeing:

- Deliver assets with the highest standards of safety and security standards based on the best available guidance for the type of facility.
- Give due consideration to the health and wellbeing of the people occupying our assets and those who may be affected by their activities.
- Be proactive in ensuring that all people occupying and working on our assets are free from harm and protected from security threats.

- Educate and enable Health & Safety 'champions' from across the workforce who consider it part of their duty to keep people safe.
- Help their workforce to understand the importance of good mental health and wellbeing by encouraging positive conversations in the workplace while aiming to reduce mental health stigma and discrimination.
- Provide access to competent mental health wellbeing and health & safety first aid training, and provide assistance that directs their workers towards further support in their communities.
- Provide health support for their employees. This could include health screenings and access to an employee assistance programme.

Advanced expectations

- We do not have any advanced expectations as we expect as a minimum all our suppliers to aspire to the highest standards of health, safety, security and wellbeing.



Creating a responsible payment culture

Our commitment

We recognise that late payment of invoices can have serious implications for businesses.

We will pay suppliers within 28 days of receiving an invoice linked to an approved Purchase Order number.

We will raise awareness with businesses and sectors of the importance of prompt payment and the Prompt Payment Code.

We will make a board level commitment to incentivise good payment performance.

We will call out poor performance where we see it.

Standard requirements

As well as meeting the following standards for creating a responsible payment culture, we expect our supply chain to filter our culture of responsible payment through its own supply chain.

Pay suppliers on time:

- Within the terms agreed at the outset of the contract.
- Without attempting to change payment terms retrospectively.
- Without changing practice on length of payment for smaller companies on unreasonable grounds.

Give clear guidance to suppliers:

- Providing suppliers with clear and easily accessible guidance on payment procedures.
- Ensuring there is a fair system for dealing with complaints and disputes which is communicated to suppliers.
- Advising suppliers promptly if there are any reasons why an invoice will not be paid to the agreed terms.

Advanced expectations

Suppliers should aspire to achieve the following standards:

- Sign up to the Prompt Payment Code and cascade throughout their supply chains.





Ethical conduct, privacy and financial crime

Our commitment

We expect the highest ethical standards to be maintained by our personnel and all the people working in our supply chain.

We have a zero tolerance approach to bribery, corruption and financial crime, and respect individual privacy rights.

We ensure that our personnel are appropriately trained with the skills needed to carry out their activities to the highest ethical standards.

We will work with our suppliers to maintain the highest ethical standards at all levels where others are engaged to carry out work for us.

Standard requirements

All suppliers are expected to meet their obligations under law, and any additional industry standard practices applicable to them in the following areas:

- Bribery and corruption: Suppliers must not gain advantage through dishonest means (including excessive gifts) or pay to facilitate government assistance.
- Tax evasion: Suppliers must meet their tax obligations in full and must not assist others to evade their tax obligations.
- Money laundering: Suppliers must not handle proceeds of crime or launder money and should challenge suspicious payments.
- Modern slavery: Suppliers must ensure their personnel are working by choice and receive the wages owed to them.
- Data protection: Suppliers must respect individual privacy, handle personal data securely and transparently and honour people's

choices.

Procedures are expected to include:

- Assessing activities for ethical conduct, privacy or financial crime risks.
- Training and raising staff awareness.
- Being upfront about incidents and cooperating in any investigation.
- Encouraging staff to report suspected malpractice, including to an appropriate whistleblowing hotline.
- Ensuring subcontractors are bound to the same requirements.



Advanced expectations

Suppliers should be willing to maintain and demonstrate a programme of best practice for ethics, compliance and data privacy, including:

- A high ethical standards culture.
- Proportionate due diligence of subcontractor procedures.
- Ethical practices central to procurement decisions.
- Confirmed elimination of any excessive performance pressures.
- Appropriate risk-based performance reviews and/or audits of subcontractor chains.
- Ensuring all subcontractor personnel are able to report malpractice without recrimination via an appropriate whistleblowing hotline, such as Grosvenor's hotline: 0800 374199 or grosvenor@expolink.co.uk.



Fair employment conditions

Our commitment

Fair employment conditions are a vital enabler for delivering social value. We believe it is important that employees are paid a fair wage. We pay all our staff a minimum of the local Living Wage, as defined by the Living Wage Foundation including apprentices.

We will provide Grosvenor Britain & Ireland staff with training on Fairness, Inclusion and Respect (FIR) and Modern Slavery.

Standard requirements

All suppliers are expected to meet the following entry-level standards for fair employment conditions:

- Align with recognised employment principles such as the Ethical Trading Initiative base code.²
- Pay the Living Wage (as defined by the Living Wage Foundation in the area in which they service our contracts) to all employee engaged on our contracts, including apprentices.
- Exclude zero-hours contracts for our work unless requested by the employee.
- Exclude any unpaid work³ for our contracts (such as internships).
- Use the best available guidance in mitigating modern slavery to help us to ensure everybody working indirectly for Grosvenor Britain & Ireland is treated with respect.
- Support your suppliers to get the training they need on Fairness, Inclusiveness and Respect (FIR)⁴ and Modern Slavery to improve performance through the Supply Chain School and other relevant initiatives
- Provide training and development opportunities for their staff.

Advanced expectations

We do not have any advanced expectations as we expect all our suppliers to promote fair employment practices and cascade these requirements throughout their own supply chains.





Inclusive & equitable opportunities for employment

Our commitment

Respect is one of our core values. We believe that reaching out to under-represented groups in society helps to make the most of the talent available to us.

We will:

- Support our suppliers to get the training they need to improve performance through relevant collaborative initiatives.
- Investigate opportunities to employ local people on projects, either directly or by engaging with local businesses through activities such as supplier days and stakeholder engagement.

Standard requirements

All suppliers are expected to meet the following entry-level standards for inclusive and equitable opportunities for employment:

- Engage with us when we run local supplier days.
- Report workforce diversity statistics annually with commentary to describe what is being done to improve workforce diversity.
- Report on the gender pay gap for their company.
- Measure and continuously improve levels of local employment, local procurement and employees through formal education programmes (e.g. apprenticeships, higher education, graduate trainees).^{5,6,7}

Advanced expectations

Suppliers should aspire to achieve the following standards:

- Use the best available guidance for removing unconscious bias and enhancing flexible working, recruitment policies, workplace behaviour, inclusive leadership, and promoting opportunities for minority groups.
- Work with key stakeholders to encourage social mobility.
- Focus on employing workers from disadvantaged circumstances (such as long-term unemployed, disabled, ex-offenders and service veterans) and report on the results.





Community participation

Our commitment

We know that understanding local community needs is an important tool in helping us deliver great places to live, work and visit.

We will:

- Undertake community needs analyses to ensure our investment and support of local communities is targeted to where it will have the greatest impact, and will deliver social benefits to those who need it most.
- Develop and manage high-quality, inclusive and healthy neighbourhoods.
- Deliver a legacy of social and economic benefits in our neighbourhoods and improve the wellbeing of those living, learning, visiting and working there.
- Commit to socio-economic assessments post-development, including post-occupancy surveys.
- Mandate our staff to complete training on social value.

Standard requirements

All suppliers are expected to meet the following entry-level standards for community participation:

- Report on social initiatives such as relevant work with communities, volunteering, etc.
- Actively partake in community engagement exercises.
- Get the training they need on social value to contribute to the local economy and environment.

Advanced expectations

Suppliers should aspire to achieve the following standards:

- Work with local residents in the communities where we operate to help enhance employability skills.
- Provide work experience for local residents.



Mitigating and adapting to climate change



Our commitment

We recognise that bold leadership from the built environment sector is needed to tackle climate change.

By 2023, we will have halved carbon emissions from our directly managed buildings. By 2030, we will achieve net zero carbon operational emissions from our directly-managed buildings.* We will also aim to reduce and report on the associated embodied carbon emissions in the built environments within our control.

Before 2050, we will achieve climate-positive emissions for our portfolio and public realm.

* We will adopt the UK GBC Advancing Net Zero Carbon Framework and the definition within it pertaining to net zero operational carbon and net zero whole life carbon buildings.

Standard requirements

All suppliers are expected to meet the following entry-level standards for mitigating and adapting to climate change:

- Design, construct, refurbish and maintain our buildings to ensure climate resilience.
- Design and deliver facilities that reflect the lowest possible whole life carbon.
- Operate and service our facilities in a way that delivers year-on-year improvements in carbon and energy intensity.
- Measure, monitor and reduce your organisation's carbon footprint.
- Provide accurate data to help us disclose our Green House Gas emissions in a clear and transparent way.

Advanced expectations

Suppliers should aspire to achieve the following standards:

- Devise and offer innovative solutions that support our journey to achieve zero-carbon operational emissions by 2030.
- Devise and offer innovative solutions to enable us to achieve climate-positive emissions before 2050 for our portfolio and public realm.
- Develop and implement a carbon reduction plan that is aligned to climate science.





Materials

Our commitment

As an industry, our activities have an impact on the environment. We must get better at using responsibly-sourced materials and natural resources more efficiently.

By 2025, we will have mapped sources for 50% of our materials expenditure. For example: loss of biodiversity, carbon intensity, water stress, etc. We will do this through reviewing our significant materials supply, the robustness of certification schemes and mitigating any significant risks that emerge that are not covered by certification.

By 2030, we aim to have a full understanding of the principal risks and opportunities in the supply chains of our materials.

We will also undertake Life Cycle Analysis on significant development projects, to predict the future materials maintenance and replacement cycles.

Standard requirements

All suppliers are expected to meet the following entry-level standards for materials:

- Prioritise retention of existing fabric and structure.
- Avoid composite materials that cannot be reused or recycled.
- Design and specify for future demountability and reuse.
- Provide data and support to help us map our supply chain impacts.
- Procure materials with robust certification where available.
- Not use any materials identified as prohibited.

- Use controlled materials where only necessary.
- Reduce waste and materials packaging at source.
- Support their suppliers to get the training they need to improve performance.

Advanced expectations

Suppliers should aspire to achieve the following standards:

- Help us to mitigate broader risks by engaging with their suppliers on their sourcing protocols and responsible materials management.





Waste management

Our commitment

Recognising that the world has finite resources, we all need to be smarter when using natural resources and managing waste.

By 2030, we will be a zero-waste business. In practice, this means that we will be integrating circular economy principles into everything we do. We will have eradicated non-hazardous waste from buildings and developments in our control by reducing waste at source⁹, and through reusing and recycling materials.

By 2050, we will eradicate waste from all communities where we operate, by working with customers and stakeholders and participating in the circular economy.

Standard requirements

All suppliers are expected to meet the following entry-level standards for waste management:

- Reduce operational and construction waste.
- Design and specify for future demountability and reuse.
- Reject unsustainable materials where an alternative exists.
- Prioritise the retention of existing fabric and structure.
- Prioritise durable and long-lasting materials and systems. The circular potential of waste should be considered during the design/procurement stages.
- Design, build and operate facilities in a way that eradicates non-hazardous waste to landfill.

Advanced expectations

Suppliers should aspire to achieve the following standards:

- Work with us to reduce waste at source and develop new solutions to waste management through whole life costing and an approach based on the circular economy.
- Work with us to phase out single-use plastic packaging.
- Work with us to achieve our goal of making the London estate single-use plastic-free by 2023.
- Work with us to reduce the amount of hazardous waste going to landfill.





Valuing nature

Our commitment

We understand the symbiotic relationship humans have with nature. In particular, the role of green spaces in cities to enhance biodiversity and help us to mitigate and adapt to climate change.

By 2030, our standing portfolio and largest development sites will have achieved a significant net biodiversity gain legacy that contributes to local, regional and national conservation priorities.

We will avoid losing biodiversity that cannot be offset by gains elsewhere, and we will incorporate purposeful green infrastructure into places we design, create and manage.

We will work in partnership with other like-minded organisations to help accelerate the restoration of the natural environment of the communities in which we operate.

Standard requirements

All suppliers are expected to meet the following entry-level standards for valuing nature:

- Design, construct, refurbish and maintain our buildings to the best available guidance and practice for green space and water conservation.
- Make a presumption in favour of sustainably-sourced materials in design and procurement.
- Demonstrate how they are helping us to achieve a significant biodiversity net gain.

Advanced expectations

Suppliers should aspire to achieve the following standards:

- Offer innovative nature-based solutions that support our objectives: to enhance green space, design for human interactions with nature, conserve water and mitigate and adapt to climate change.
- Support reporting on our natural capital impact.





Air quality

Our commitment

We recognise that our operations have a significant effect on the air quality of the places in which we operate, both inside and outside.

We are:

- Measuring the Nitrous Oxide emissions on our London estate, including our partnership with King's College London and the London Air Quality Network.

We will:

- Continue to develop our delivery and waste consolidation offerings to customers, and
- Phase out diesel usage for all our service contracts by 2025.

Standard requirements

All suppliers are expected to meet the following entry-level standards for air quality:

- Help us to reduce traffic to our sites through logistics consolidation.
- Design, construct, refurbish and maintain our buildings to ensure high standards of indoor air quality for our occupiers. For example, considering how to reduce CO₂, particulate matter, SO₂, NO₂, VOCs, formaldehyde.
- Where it is absolutely necessary to use diesel power, use only the highest available Euro category engines on plant and heavy vehicles to service our contracts by 2025.

Advanced expectations

Suppliers should aspire to achieve the following standards:

- Use bicycles for deliveries where possible.
- By 2025, use only zero tailpipe emission cars and light commercial vehicles to service our contracts.
- Prioritise electric equipment use on-site.
- Use no diesel-powered vehicles after 2025.





Definitions

1. Support: recommended relevant sources of information to help our suppliers meet our standard and advanced requirements.
2. The ETI Base Code: an internationally-recognised code of labour practice, which is founded on the conventions of the International Labour Organisation (ILO). Its principles are:
 - Employment is freely chosen
 - Freedom of association
 - Working conditions are safe and hygienic
 - Child labour shall not be used
 - Living wages are paid
 - Working hours are not excessive
 - No discrimination is practiced
 - Regular employment is provided
 - No harsh or inhumane treatment is allowed
3. Work: mental or physical activity as a means of earning income. Job shadowing and work experience where the person does not contribute to GBI business is not considered to be work.
4. Fairness, Inclusion and Respect (FIR): a programme of work sponsored by The Construction Industry Training Board (CITB) to promote equality and diversity through workplace behaviour.
5. Local: the geographical region defined as local by a project or contract. This will vary depending on stakeholder and planning requirements.
6. Local supplier: a supplier is considered local if they service a contract from the area deemed to be local from a premises on which they pay Business Rates (or Council Tax for a micro enterprise).
7. Local employee: an employee is considered local if they are resident in the area defined as local and paying Council Tax to the Local Authority.
8. Waste at source: surplus materials or packaging that will not be used either to service an asset or as part of an asset are considered to be waste at source.



Contact us

If you require further information about our Supply Chain Charter, or would like to discuss the supplier process with a member of the team, please get in touch.

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Photos: p6 and p8 by rawpixel, p9 linkedin-sales-navigator on Unsplash