



# PERSIMMON

Sustainability Report 2014

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# Chief Executive's Introduction

**“The past year has been characterised by strong progress on many fronts.”**

I am delighted to introduce our latest Sustainability Report. In producing our Sustainability Report, I believe it is important to be clear about why sustainability matters to Persimmon. Society's expectations of business have changed over recent years and we live in a world where, rightly in my view, companies have to continually demonstrate that the reality is consistent with the rhetoric. At the same time, good practice in sustainability produces tangible benefits both for our business and the communities in which we build.



**Jeff Fairburn**, Group Chief Executive

Our approach to sustainability focuses on the creation of vibrant communities that provide much needed new homes – in this way we contribute to the overall sustainability and cohesiveness of UK Plc. Good sustainability practice is embedded across Persimmon and is manifest throughout our day-to-day operations. It adds value to our business and creates a “win-win” for the Company and the wider community. Training and investment in people creates better employees; reducing waste and energy consumption saves money and building a better house leads to happier customers. All of these outcomes benefit all of our stakeholders.

The past year has been characterised by strong progress on many fronts. Our financial performance has been impressive and we have built 13,509 new homes to help address the UK's housing shortage. These successes have been hard won as both Persimmon and the sector more generally have been confronted by a number of challenges.

Even allowing for the significant growth in house building over recent years, the UK is not building enough homes for its growing population. While the problems are more acute in certain areas, the overall picture is one of demand exceeding supply. How to address this is of fundamental importance and has attracted the attention of politicians from across the spectrum. Persimmon is well placed to contribute to the solution, given our geographical spread and portfolio of family house types. We offer a range of affordable options to both first time buyers and those seeking to move on from their current homes. Another major factor in our favour is our willingness to engage with communities about new developments and the sensitivity we have to their concerns.

Our approach to sustainability has been recognised externally – through our inclusion in the Dow Jones Sustainability Europe Index (a benchmark index for investors who seek to integrate sustainability considerations into their investment portfolios) – and highlights our progress to our shareholders. While such accolades provide endorsement of our achievements, more important still is that our performance continues to reach the standards I and our stakeholders expect. I am committed to ensuring this will be the case and I look forward to sharing further details of our achievements in the future.

**Jeff Fairburn, Group Chief Executive**

12 March 2015

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## 2014 Summary

2014 has been another year of strong performance at Persimmon as the housing market continues to recover and the house building industry responds to the requirement for more new homes. Although there is customer demand and funding is available, the industry has had to work hard to deal with widespread skills and labour shortage, materials shortages and diverse planning approaches around the UK. These issues continue to affect us.

In this report you will find details of how Persimmon has improved, regenerated and created new communities. Our efforts to address the UK's urgent need for housing are focused on various elements of the home building process:

- we are developing land as soon as we receive full planning consent;
- we are concentrating on the building of family homes;
- our properties are accessible to many because 27% of the new homes we sold in 2014 were £150,000 or less, well below the average UK house price; and
- we are training and increasing our own workforce in order to secure timely build programmes and improved customer service.

In 2014 the Corporate Responsibility (CR) Committee supported the huge effort within Persimmon to increase the recruitment and training of staff which is needed to address the requirement for new housing in the UK. This is a long term project and we need to recruit well, train and mentor our employees over the years and ensure that they have the opportunity to progress within the Group and to achieve their maximum potential.

We increased our workforce by 24% in 2014 and employed an average of 3,453 people. We currently have over 400 trainees, apprentices and graduates. We are particularly proud of the success of our "Combat to Construction" initiative to recruit returning military personnel. In this scheme we provide training together with the commitment of a permanent job for ex-forces staff. All of these recruitment and training initiatives will continue in 2015.

In 2014 we delivered £48m of infrastructure contributions through planning obligations, up 26% on the year before. This social funding benefits the local communities in which we build in a number of ways. Last year, in response to representations from local authorities, there was a marked increase in investment into education provision, which accounted for 36% (£17.4m) of the total contributions.

Our hardest challenge has been managing the pace of build whilst continuing to look after customers well. At times our volume of work has meant that our customer service score has suffered and as a business, we only scored 3\* in the HBF's† 2014 rating, down from our 4\* rating for each of the last three years. We have already put extra resource and additional effort into looking after our customers during the stressful time of moving house and we are confident that we will see the benefits of this in next year's score.

Our overall health and safety performance has improved with a 15% reduction in RIDDORs. We have seen a downward trend of our injury rates over the past few years. We have increased health and safety training and are focusing on our overall health and safety culture to continue this improving trend in the future.

The outlook for 2015 is positive. Our overall objective is to build high quality family homes and improve the communities where we are working. We continue to be focused on meeting the UK's housing need and we will be supporting further growth in our regional businesses to increase our building capacity. We will also continue to improve the fabric of our homes, which helps keep living costs low. In particular, our insulated timber framed manufacturing facility, Space4, provides an energy efficient fabric in a significantly shorter build time than on-site construction methods. In 2014 there was a 44% increase in the number of homes we built where our customers requested we incorporated a form of renewable energy and we look forward to achieving more again next year.

† The House Builders Federation national customer satisfaction survey

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## Key Achievements

All of our achievements during 2014 benefit the local communities we serve through our focus on customers, resource efficiency, skills development and health and safety. Some of our key achievements in the last year are outlined below:

MEMBER OF  
**Dow Jones Sustainability Indices**  
In Collaboration with RobecoSAM



### External recognition

- Included in the Dow Jones Sustainability Europe Index.
- Persimmon has been reconfirmed as a constituent of the Ethibel Sustainability Index (ESI) Excellence Europe.

### Customers

- A total of 13,509 homes sold in 2014 (2013: 11,528).
- We assisted 5,358 customers in 2014 purchase their first home, with a shared equity loan under the Help to Buy scheme.
- 27% of our new homes were sold for £150,000 or less.

### Resource efficiency

- 23% reduction in our building energy consumption.
- We recycled 90% of our construction waste (2013: 90%).
- All the homes we built were assessed for energy efficiency against the Standard Assessment Procedure with an average rating of 83.
- Completed 4,255 homes to Code for Sustainable Homes or Eco Home standards (2013: 2,797).
- Sold 5,085 Persimmon homes incorporating Space4 technology in 2014 representing 37% of our new home sales (2013: 4,204).
- Nearly one in ten of our homes (1,215) sold with a form of renewable energy technology (2013: 845).
- 3% reduction in our CO<sub>2</sub> emissions.
- CO<sub>2</sub> g/km emissions across our motor fleet reduced by 6% from 116 g/km in 2013 to 109 g/km in 2014.

### Skills development

- The training provided to our employees increased significantly to over 7,900 days (2013: 4,400).
- The number of apprentices, graduates and trainees employed increased to 439 (2013: 277).
- Maintained Equality Accreditation in Employment and Customer Service at the silver level by Equality Accreditation Services (EAS).

### Health and safety

- 15% reduction in RIDDORS to 41 (2013: 48).
- 3,607 days of Construction Industry Training Board funded health and safety training delivered (2013: 2,441), an increase of 48%.

### Community

- Increased investment in new community facilities, including schools and public open spaces by 26% to £48 million (2013: £38 million).
- Donated a total of £171,000 to charitable causes through a combination of Group donations and employee fundraising (2013: £154,000).
- Sold 2,256 affordable/social homes to Housing Associations (2013: 2,121).

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## Managing Sustainability

In 2014 we reviewed how sustainability is managed throughout our business. This reflected our recognition of the constantly developing demands of society, the economy, resource constraints and legal regulations to ensure that our approach remains relevant.

We identified five key themes that we use to explain our approach to our employees, shareholders and other stakeholders. These are:

- Community: contributing to the building and creation of thriving communities through direct investment in the communities in which we build.
- Customers: meeting our customers' needs and expectations of value, quality and service.
- Resource efficiency: maximising efficiency gains from better operating practises, minimising our environmental impact and creating new homes that are environmentally efficient through the life cycle of design, construction and occupancy.
- Skills development: promoting a culture that supports skills development for our employees to develop long and fulfilling careers.
- Health and safety: protecting our employees, subcontractors, customers and others affected by our activities.



## Governance

Persimmon complies with the UK Corporate Governance Code and our Annual Report 2014 provides further information on our corporate governance.

Ultimate responsibility for sustainability rests with our Group Chief Executive, Jeff Fairburn. Our Corporate Responsibility (CR) Committee provides direction for our business and makes recommendations on strategy and policies in this area to the Risk Committee.

The CR Committee is chaired by Marion Sears, an independent Non-Executive Director and includes representatives with operational and functional responsibility from across the business. Our Divisional Commercial Directors coordinate day to day activities on sustainability issues through our network of 24 regional operating businesses.

Our sustainability strategy and policies are regularly reviewed by the CR Committee. They are cascaded through the Divisions to the management team of each operating business. This ensures that sustainability is on the agenda of each operating business and that best practice across the Group can be shared effectively.

We measure, monitor and report on our sustainability activities and performance on an annual basis. Sustainability management is a fully integrated activity and is the responsibility of all our employees, from those on our developments around the UK to our senior management teams.

Persimmon operates an Environmental Management System (EMS) that covers all processes from land appraisal, site remediation to manufacturing and construction.

We measure our sustainability performance using a set of key performance indicators (KPIs) collated on a regular basis from our operating businesses and reviewed at each CR Committee meeting. A summary of our KPI performance data can be found on page 39.

## PLC BOARD

PLC Board – Responsible for identifying, evaluating and managing significant risks and opportunities, including Social, Ethical and Environmental (SEE) risks.

## RISK COMMITTEE

Risk Committee – Responsible for risk management and internal control, it also takes account of guidance on CR related disclosures, such as guidance established by the Association of British Insurers (ABI).

## CR COMMITTEE

CR Committee – Responsible for sustainability. Duties include preparing and implementing policies; setting objectives and targets; liaising with Group management and stakeholder communication.

## DIVISIONAL COMMERCIAL DIRECTORS

Divisional Commercial Directors – Responsible for cascading information and management guidance to the operating businesses and promoting best practice across the Group.

## OPERATING BUSINESSES

Operating Businesses – Managing Directors are responsible for implementation of sustainability policies and initiative and provision of KPI data.

*Persimmon's sustainability governance structure.*

## Key sustainability risks

We have identified some key risk areas that drive the basic principles of our approach to sustainability.

These are:

- Physical risks – the changes in weather patterns and frequency of weather events, particularly storms and flooding, that may increase the likelihood of disruption to our construction process
- Regulatory risks – increasing national regulation relating to more stringent environmental standards which could cause additional planning delays and increase our construction and compliance costs
- Financial risks – the availability of mortgages and house insurance and therefore consumer demand
- Product risk – meeting increased Government and customer demands for sustainable housing
- Supply chain risk – increasing regulation aimed at energy intensive manufacturers could increase the cost of materials or limit their supply
- Reputational risk – meeting the expectations of shareholders and other stakeholders, protecting our reputation and ensuring our ability to adapt to changing consumer and regulatory needs
- These risks are reviewed and updated on a regular basis.

To view our policies please visit our corporate website [www.corporate.persimmonhomes.com](http://www.corporate.persimmonhomes.com).

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## Customers

Persimmon is committed to providing accessible and affordable homes to customers throughout the UK.

Our geographical scale, with around 400 housebuilding sites across the UK, combined with a wide range of property types means that Persimmon is strongly positioned to serve the needs of a diverse customer base. Whether it is people seeking their first home, those looking for more space or to downsize, Persimmon has within its portfolio a range of properties to suit their requirements.

We believe we are uniquely placed to help address the UK's housing shortage – something that Mark Carney, the Governor of the Bank of England, described in 2014 as: "the biggest risk to financial stability and therefore to the durability of the economic expansion".

Building family homes that contribute to stable and flourishing communities is what we do. These communities, bolstered by the contributions we make to local infrastructure, will help to drive economic prosperity both locally and nationally. More fundamentally, they satisfy a basic human need for shelter, security and well being.

We aim to ensure that the process of buying and moving into one of our homes is an enjoyable experience. We set great store on customer satisfaction and will redouble our efforts in this area to improve our current levels of performance.

Buying a home is the largest single investment the vast majority of people ever make. To help make this financial commitment more manageable we are great supporters of the UK Government's Help to Buy scheme. In addition, we work closely with a wide variety of registered social landlords to provide low cost social housing including social rented homes, affordable rented homes and shared ownership homes.

To read more about our approach to customer care, how we strive to make our homes accessible to as many people as possible and our approach to quality please see the following sections:

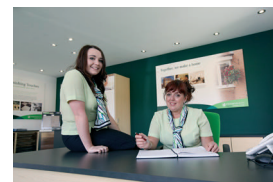
- Customer care
- Making homes more accessible for our customers
- Quality homes



The Persimmon Pledge is available to read in full at [www.persimmonhomes.com/why-choose-persimmon](http://www.persimmonhomes.com/why-choose-persimmon)



Sales advisor,  
Michelle Petherbridge



Mother and daughter sales  
advisors, Rhian and Rachel  
Trolley

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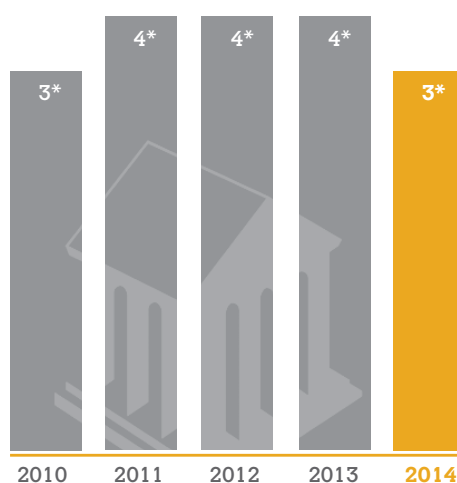
## Customer Care

In 2014 our rating in the HBF National New Homes Customer Satisfaction Survey declined from 4\* to 3\*. This followed three years of consistent improvement. The main cause of the reduction in our performance was delays in completing new homes, primarily caused by a shortage of skilled labour. As a result our customer satisfaction scores suffered.

We recognise the impact this has had on our customers and significant resources have been committed to provide better guidance and information to our customers on the progress of construction of their new home, both from our sales and construction teams. In particular, all build programmes are regularly reviewed by our regional and senior management teams.

Persimmon continues to support the Consumer Code for Home Builders, which gives protection and rights to new homebuyers, ensuring that they are treated fairly and are fully informed about all aspects of their purchase. This is supported by the Persimmon Pledge, full details of which can be found at [www.persimmonhomes.com/why-choose-persimmon](http://www.persimmonhomes.com/why-choose-persimmon).

### HBF/NHBC Star Rating



Home Builders Federation/National House Building Council, National New Homes Customer Satisfaction Survey. Questionnaires returned for homes sold from October to September each year. Star rating out of 5.



Michael and Leigh Ann Bandoni  
at their new home in Earnock Glen,  
Hamilton

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# Making Homes More Accessible for our Customers

Accessibility to housing is a combination of three things:

- Price
- Property type – such as terraced or detached
- Location

Persimmon operates across the UK and has around 400 sites ranging from relatively small developments of less than 10 homes to estates numbering over 1,000 new homes. Working with local authority planners, Persimmon has identified and developed sites that are designed to meet the housing needs of large urban centres, medium sized towns and smaller communities.

On each site Persimmon, in consultation with the planning authorities, gives careful consideration to the type and tenure of properties it builds to ensure that the eventual mix matches the needs of the local communities. This process is greatly assisted by the local knowledge each of our 24 regional operating businesses have developed over an extended period of time of the needs and expectations of our customers.

The average selling price of the 13,509 homes we sold in 2014 was £190,667. The national average selling price of new houses in England and Wales was £177,776\*. However around 27% of our homes were sold for £150,000 or less, making them affordable for many.

The selling price tells only part of the story as access to the necessary finance to buy a house, typically via a mortgage, is crucial to most of our customers. The tighter lending criteria of banks and building societies seen since the housing crash of 2008 and the requirement for a substantial deposit would, in many cases, have become an insurmountable obstacle to home ownership. In response, we have supported efforts to remove these barriers through a number of different initiatives.

## Help to Buy

Since April 2013 we have sold over 8,000 homes in the UK under the Help to Buy scheme, the UK Government's shared equity loan scheme that makes mortgages more readily available to those who do not have a large deposit – around 18% of the total Help to Buy sales.<sup>†</sup>

The average price of a Persimmon home sold with a Help to Buy shared equity loan in 2014 was £201,112, with 74% of the 5,358 homes sold bought by first time buyers. We also participate in Help to Buy Phase 2, the Government mortgage guarantee indemnity scheme launched in 2012 that helps homebuyers with only a 5% deposit obtain a 95% mortgage.

## Helping Hand

Helping Hand is our own shared equity scheme which has enabled Persimmon to provide shared equity loans of up to 20% of the selling price to customers who only have small deposits. This scheme has been used by 121 customers mainly in Wales and Scotland where Help to Buy was not available throughout 2014, although similar schemes have now been introduced.



\* HM Land Registry 2014 average selling price in England and Wales  
† <https://www.gov.uk/government/statistical-data-sets/help-to-buy-equity-loan-scheme-monthly-statistics#latest-table>

## Part Exchange

We offer a part exchange scheme where we arrange to buy a customer's existing property. We also offer a free service for Armed Forces and Ministry of Defence personnel to assist them throughout the home buying process whilst based overseas.

Part  
Exchange



Happy part exchange customers

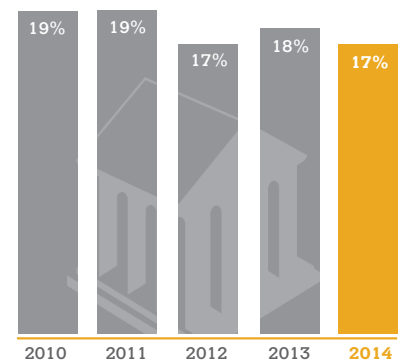
## Social Housing

A major part of our business focuses on building social affordable housing. Working closely with Housing Associations and registered social landlords (RSLs), we aim to increase the supply of affordable housing for both rental and shared equity sales. In 2014, we provided 2,256 homes to Housing Associations and RSLs representing around 17% of our total new homes sold.

In conjunction with our specialist company Westbury Housing Investments we have been able to offer a 'first of its kind' shared equity scheme aimed at first time buyers and 'returners' in the affordable/social housing market. By introducing shared equity homes in place of rented and shared ownership, some financially unviable affordable social housing developments have become a commercial possibility. For more information on this please visit [www.westburypartnerships.co.uk/westbury-housing-investments](http://www.westburypartnerships.co.uk/westbury-housing-investments).

For more information on Help to Buy and other schemes that make it easier for our customers to purchase a property please visit [www.persimmonhomes.com/offers](http://www.persimmonhomes.com/offers).

**% of affordable/social  
homes as  
a proportion of total  
homes sold**



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## Quality Homes

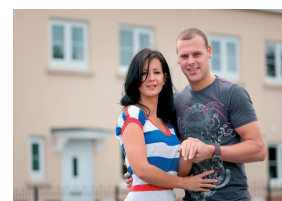
All new Persimmon and Charles Church homes are built in accordance with relevant planning and building regulations, with around one third of our homes assessed against the Code for Sustainable Homes or EcoHomes standard. In addition, all stages of the construction of new homes are inspected by our experienced senior construction staff.

Our construction processes ensure that our sites follow the same approach to improving waste, logistic and economic efficiencies, enabling us to deliver good quality homes consistently. An increasing number of our homes are built using our Space4 technology.

For more information on Space4 please see page 13.

We provide our customers with a quality assured certificate and a National House Building Council (NHBC) or similar 10-year insurance warranty with each new home. We also ensure warranties provided by the manufacturers of products and appliances installed in each home are honoured.

The NHBC recognises the quality of top site managers around the country at the Pride in the Job Awards. Site managers are nominated for an award by NHBC Building Inspectors and Inspection Managers. They judge winners on attention to detail, quality of workmanship, leadership, technical expertise and robust health and safety processes. In 2014 six Persimmon site managers won Pride in the Job Quality Awards continuing Persimmon's strong showing in the NHBC Awards.



Customers Andrea and Alex at their new home

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# Resource Efficiency

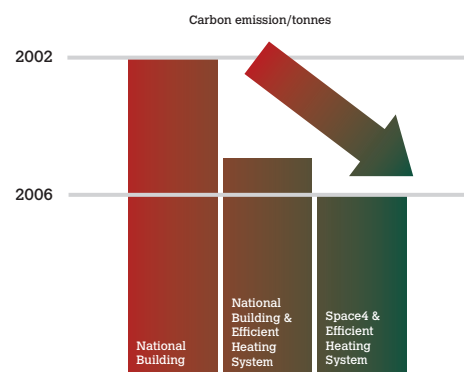
Operating efficiently by minimising waste, resource use and energy consumption provides tangible cost savings as well as reducing our environmental impact.

Modern design standards mean that new homes are inherently more energy efficient than older housing stock. This will reduce household energy bills and help decrease greenhouse gas emissions.

Our view is that new homes must exhibit superior environmental efficiency throughout the whole life cycle of design, construction and occupancy and we seek to improve environmental performance ahead of regulatory standards where practical. Our approach to sustainability fully supports the Code for Sustainable Homes and the improvements to the Building Regulations energy efficiency requirements. These national standards are an important factor in the way we build and design our homes to provide energy efficient homes to our customers.

To learn how we support these aims please see the following sections:

- Building energy efficient homes
- Space4
- Reducing energy use
- Minimising waste
- Promoting sustainable living
- Sourcing of materials



The chart above shows the relative levels of carbon emissions for different construction techniques and heating systems. Space4 properties deliver significant energy savings and equivalent reductions in greenhouse gas emissions.

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## Building Energy Efficient Homes

The Standard Assessment Procedure (SAP) is the Government's rating system for evaluating the energy performance of dwellings. The higher the SAP rating, on a scale of 1 to 100, the lower the running costs and the more efficient the building. The average SAP rating for all the homes we built during 2014 was 83, which is slightly above the average for all new homes (81) and far in excess of the UK average housing stock rating of 59.<sup>†</sup>



In 2014, we built 4,255 homes assessed against the Code for Sustainable Homes (CfSH) or the preceding EcoHomes standard both of which assess energy efficiency, water consumption and materials use as well as other sustainability criteria. This equates to 31% of our total home sales, up from 24% in 2013. Of those assessed against CfSH, 99.8% achieved Code 3 or above. We built 295 Code 4 homes during 2014 (2013: 135).

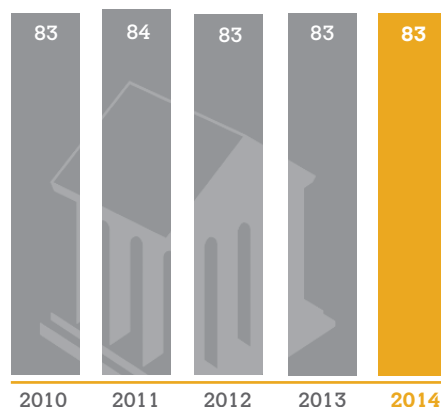


Whilst many of the other homes we build are not formally assessed to the Code standards, we are able to share our experience across our operating businesses to incorporate some of the Code criteria into these homes, where appropriate.

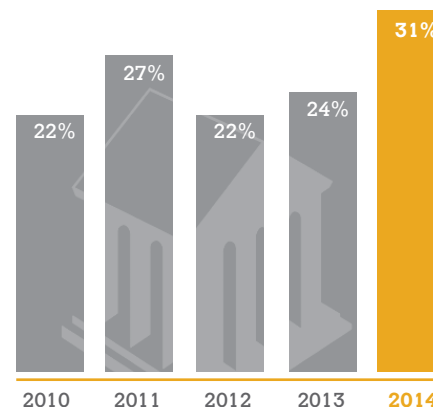


Space4 timber frame factory

### New Home Energy Efficiency (SAP Rating scale 1:100)



### Homes built to Code for Sustainable Home/Eco Homes standards



<sup>†</sup> Energy Efficiency Deployment Office (2015). *Energy Efficiency Statistical Summary 2015*. London: Department of Energy and Climate Change. p6.

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## Space4

At Persimmon we believe that homes should be sustainable by being inherently efficient in their design and construction - our 'fabric first' approach - rather than using the addition of bolt on green technology such as wind vanes. We have developed our Space4 technology to deliver homes that adhere to this principle.

Space4 is the largest manufacturer of timber frame housing in the UK and has supplied timber frames for over 30,000 homes since it was established in 2001. In 2014 around 37% of our total new home sales (5,085) had a Space4 timber frame installed. While the timber frame market has grown substantially and currently accounts for around a quarter of new housing in the UK (1998: 8%), the UK's use of this technique is lower than other parts of the world.

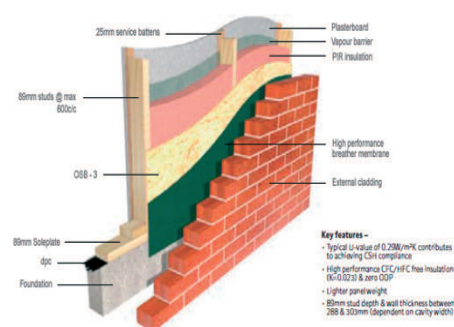
We believe there are numerous benefits for our customers and the environment in the more widespread adoption of this approach. The increased use of off-site manufacturing of timber frame housing could help to bridge the gap between current levels of supply and the demand for increased housing production.

Benefits for our customers include consistent build quality and a more streamlined construction process. Our manufacturing centre in Birmingham uses the latest Computer Aided Design (CAD) and Computer Aided Manufacture (CAM) technology, producing a new timber frame for a new home every hour. CAD allows us to convert new house designs into our manufacturing systems within two days. Our investment in this technology means that we are well placed to incorporate changes in legislation, such as enhanced insulation, swiftly and accurately.

A major advantage of off-site manufacturing for our customers is that on site assembly takes a fraction of the time required to build a home of traditional brick and block construction. This is partly because of the lower level of human resources needed, which is particularly relevant given the skills shortage in the sector. Moreover, when off-site manufacturing is used the construction process is less susceptible to delays arising from adverse weather conditions.

The environmental benefits are also considerable, as all of Space4's timber is purchased from certified and sustainable forests.

A further major environmental benefit is that our factory produced closed panel systems are most able to guarantee air tightness, thermal and acoustic performance – all of which are highly valued by our customers. In particular, the energy costs for heating a Space4 home are typically around half of those of an average UK home. Finally, sites where Space4 timber frames are used also have a much lower level of waste.



On the outside, Space4 homes use the same traditional materials such as brick and stone. Underneath, high performance insulation integrated with the house frame creates high levels of energy efficiency.

See our case studies on pages 32 and 33.



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## Reducing Energy Use

We monitor our energy use and emissions across our business. Overall, our total operational carbon footprint for 2014 was 13,700 tonnes CO<sub>2</sub>e, a reduction of 3% on last year (2013: 14,100 tonnes CO<sub>2</sub>e), notwithstanding that we increased our production of new homes by 17%. This equates to 1.0 tonne of CO<sub>2</sub>e per home sold (2013: 1.22 tonnes CO<sub>2</sub>e), an 18% reduction.

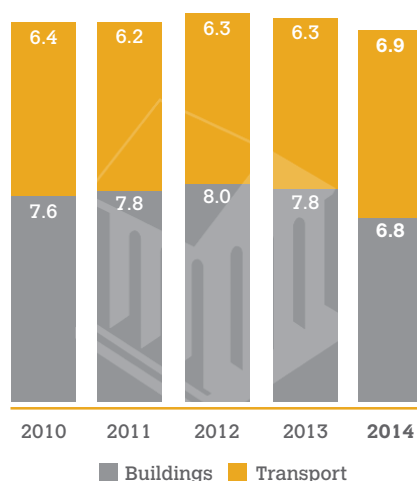
Energy used to heat and light our regional offices, our development sites and power our Space4 factory decreased by 23% to 23.1 million kWh in 2014 (2013: 30 million kWh). Of this, 70% was electricity and 30% was gas. One of the reasons for this reduction in energy use during the year was changes to the manufacturing process and the introduction of new machinery at Space4. This enabled us to reduce Space4's energy requirements by nearly 170 tonnes of CO<sub>2</sub>e.

With the expansion of our business in 2014 our company vehicle fleet increased by 12% to 962 vehicles from 858 in 2013, with the amount of fuel used increasing by the same percentage to 2.69m litres (2013: 2.4m litres). The average emissions per kilometre across our fleet has reduced by 9% from 116 g/km in 2013 to 106 g/km in 2014.

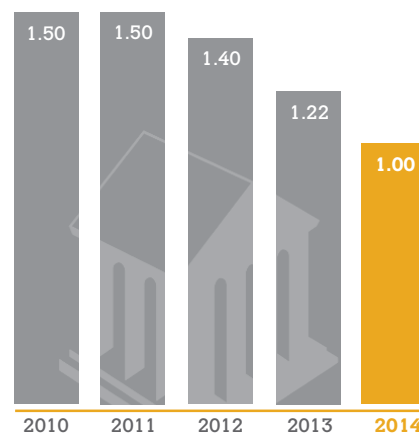
Despite a 40% increase in the size of our fleet since 2009 fuel consumption over this period has risen by only 7% to 2.69 million litres. Also, since 2009, when the number of vehicles was roughly half the size it is now, the carbon footprint has increased by only 3% to 6.9 thousand tonnes of CO<sub>2</sub>e (2009: 6.7 thousand tonnes). This demonstrates the success of our approach, which has been to offer staff more fuel efficient and lower emission cars.

All data has been compiled in accordance with DEFRA Environmental Reporting Guidelines and emission factors from Defra's Greenhouse Gas Conversion Factors Repository.

**Operational carbon footprint  
(thousand tonnes CO<sub>2</sub>e)**



**Carbon footprint per home sold  
(thousand tonnes CO<sub>2</sub>e)**



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## Waste and Recycling

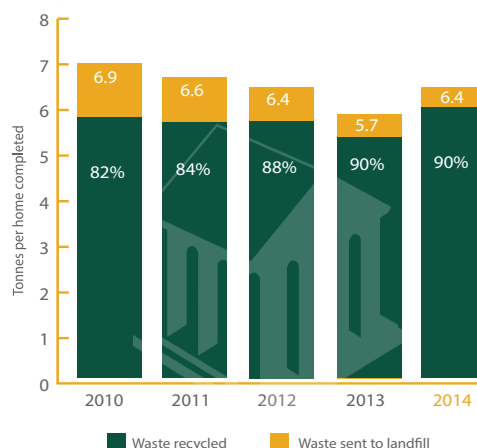
Construction waste is one of the housing sector's most significant environmental impacts. Persimmon is committed to monitoring, managing and minimising waste from all our development sites. We achieved this through efficient construction techniques and design, logistics and stock control, the use of prefabricated or pre-sized materials and by minimising packaging

In 2014, the average waste we generated per home sold was 6.36 tonnes (2013: 5.7 tonnes), an increase of 11%. We attribute this rise to a combination of factors, including an increase in the number of sites operating and closing during the year and improvements to the accuracy of data collection. Despite this increase, over the last five years there has been a downward trend in the level of waste generated per home sold.

Notwithstanding the increase in the volume of waste produced, we maintained our recycling rate at 90% (2013: 90%). Consequently, less than one half of a standard skip of waste per home was sent to landfill during 2014.

Working closely with our waste contractors, segregating waste at their recycling plants has become more efficient. This has reduced the number of skips we require on site, freeing up space and decreasing the associated fuel and greenhouse gas impacts associated with waste transportation. All of our development sites have processes in place to maximise the reuse, recycling and recovery of construction, demolition and excavation waste.

### Waste generated per home sold and % recycled



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## Promoting Sustainable Living

Our increasing use of Space4 timber frame construction techniques helps minimise the environmental impact of new home building while providing tangible financial benefits to our customers.

In addition, our homes contain a range of energy efficient features that promote sustainable living. These include lighting and appliances with the highest energy efficiency performance. The latter – from washing machines to cookers – have a minimum of an A rating with some extending to A+++. All boilers we fit are high efficiency and have Sedbuk Band A ratings, considered the most efficient by the Government's energy efficiency best practice programme.

In 2014, we built 1,215 homes that contain a form of renewable energy technology (2013: 845) such as solar panels and photovoltaics, both of which are highly efficient and have helped our customers to make additional savings on their energy bills.

We provide many of our homes with water butts, which store rainwater to be used for garden watering. In our new homes the use of a range of water saving measures – such as flow restrictor taps to basins in kitchens and bathrooms, low flow showerheads, and low and dual flush toilets – has contributed to significant reductions in water consumption with attendant environmental benefits and lower water bills. Current building regulations specify a maximum of 125 litres per person per day for internal water use, but with the use of our water saving measures we have been able to reduce this by nearly 30% to 90 litres per person.

Many of our homes have internal recycling facilities and, increasingly, we are providing bins to help customers to sort and recycle their waste.

Prior to beginning work on any new development, and mindful of the Government's objective to promote sustainable travel, we undertake a transport survey of the local area. This identifies public transport options together with cycling and pedestrian routes and is collated into a brochure, which is provided to all residents of the development.

The design of every one of our developments is influenced by the principles and standards contained within Building for Life (co-authored by the Commission for Architecture in the Built Environment, part of the Design Council, the Home Builders Federation and Design for Homes, with the assistance of Nottingham Trent University) and the *Secured by Design* initiative developed by the Association of Chief Police Officers. The former includes criteria covering environment, community, parking and the general character of the area; the latter focuses on crime prevention. By taking both design standards into account, we aim to provide our customers with homes and communities that are safe, secure and sustainable both now and over the longer term.



Simon and Sarah at The Maltings

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## Sourcing of Materials



*Persimmon procure all timber from sustainable sources with assurance provided by FSC, PEFC or SFI certification.*

With many longstanding and highly valued partnerships in place across our supply chain, we are able to work together to explore and develop new and enhanced products that will simplify and improve the efficiency and safety of the build process, raise the performance of finished dwellings and reduce the energy requirement of all new homes. This collaborative approach which has developed over many decades of partnering with strategic manufacturers and suppliers, provides the solutions required of modern house building by delivering sustainable shared commercial benefits.

At both national and local level we encourage suppliers to use products and materials with superior environmental performance. All of the timber used in our homes comes from sustainable sources, the origin of which is assured by schemes such as the Forest Stewardship Council (FSC), the Programme for the Endorsement of Forest Certification Schemes (PEFC) or the Sustainable Forestry Initiative (SFI). In 2014, our use of soft wood timber increased by 5% to 81,000 cubic metres (2013: 77,000 cubic metres), which was considerably smaller than the increase in the number of homes we built as a higher proportion of our new homes were masonry constructed as opposed to timber framed homes.

Building homes requires the use of a wide range of materials ranging from bricks to light switches and window frames to taps. The diverse nature of our requirements means that our supply chain embraces many companies of all sizes spread across the length and breadth of the UK and beyond.

Our procurement process assesses the quality, cost, availability and environmental impact of the various materials and of our supply chain. Our preference – on both environmental grounds and because of our commitment to supporting businesses in the immediate vicinity of our developments – is for locally sourced materials, including recycled and reclaimed goods, wherever practicable. We regard our principal suppliers as strategic partners who are critical to delivering the materials to enable us to build the quality of homes our customers expect.



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## Skills Development

Much has been written over recent years about the competition for talent and how, increasingly, successful organisations will be characterised by their ability to attract, retain and motivate their employees. The recent dramatic growth in the construction sector, with the attendant competition for suitably qualified and skilled people, makes these issues all the more relevant for Persimmon.

Our average number of employees in 2014 was 3,453 (2013: 2,791) an increase of 24% on the previous year. We have 1,001 female employees representing 29% of our workforce (2013: 33%).

During 2014 Persimmon continued to be accredited in Employment and Customer Service at the silver level by Equality Accreditation Services (EAS). This accreditation was awarded to the whole Group and enables us to demonstrate that we meet and exceed current equality legislation across all areas of our business, consistent with the provisions of The Equality Act 2010.

You can read more about our apprenticeship and trainee schemes and the training and development we provide in the following sections:

- Apprentices and trainees
- Combat to Construction
- Training & development



Adam Bence

equality accredited  
customer service  
silver level

equality accredited  
employment  
silver level

Accredited Status on the  
National Equality Register  
Helping manage a fairer society

Our continued success is dependent on having access to motivated and highly effective employees who can deliver the quality of homes and customer service that are a cornerstone of our business. Hence, we have invested substantially in recruitment and training to ensure that our people can meet the challenges we face. In 2014, the total number of days' training provided to our employees increased by 80% with each employee receiving, on average, nearly two and a half days training.

A central element of this strategy has been the creation of trade apprenticeship and trainee schemes, which offer valuable training experience, job security and great career prospects. At the end of 2013, we announced training programmes to recruit over 200 apprentices and trainees to join our business in locations across England, Wales and Scotland. We are pleased to report that during 2014 we met this objective and recruited a further 26 trainees (since September) to join our "Combat to Construction" programme (see below).

Persimmon signed up to the Armed Forces Corporate Covenant in 2013, a voluntary statement that acknowledges our public support for the Armed Forces. We also decided to explore ways in which we could provide more tangible support for the talented and committed men and women who leave the Armed Forces each year which could also help plug the skills gap in our sector. The result was our Combat to Construction Traineeship, which enables service leavers to re-train into a rewarding second career within the house building industry and capitalise on the skills and experience they've already acquired during their service careers.

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## Apprentices and Trainees

In 2014 the number of apprentices and trainees employed at Persimmon rose to 439, a nine-fold increase on the number employed in 2010. This reflects the importance we are placing on schemes to bring new people into the industry.

*Trade apprentices* – Working alongside experienced trades people, gaining valuable on the job experience, our trade apprentices build up knowledge and skills in their relevant trade ultimately leading towards NVQ qualifications. As well as site experience, apprentices attend their local college on day or block release to complete their training.

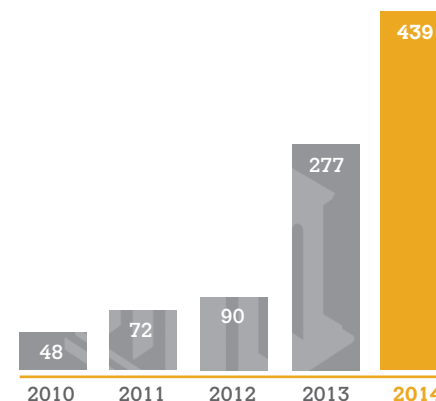
In 2014 the number of trade apprenticeships increased significantly with 167 apprentices employed throughout the year across all 24 of our operating businesses in the UK. The majority were in bricklaying (46%) and carpentry/joinery (44%) with the remainder in technical or groundwork roles.

*Trainee sales advisors* – Sales advisors occupy a key role, being the primary contact with our customers. In 2014, we employed 67 trainee sales advisors (2013: 76). The training we provide equips them with the knowledge and technical skills to develop a successful sales career in residential housing. Those who complete the training programme have the opportunity to pursue a career with excellent promotion prospects and high earning potential and it is pleasing to report that many of our trainees from 2013 have been promoted to have responsibility for their own developments.

*Trainees* – All of our businesses recruit trainees directly into operational roles from school, college or university to add strength to our regional teams. This ensures we have a succession of first class professionals, dedicated to maintaining the highest standards across the business. In 2014, we employed 186 people in roles relating to design, planning, site management and quantity surveying.

Please see our Young Achievers of the Year case study on page 35.

### Number of trainees and apprentices taken on each year



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## Combat to Construction

Recognising that an understanding of the armed services and their culture was a prerequisite for making this initiative a success, we hired a specialist in ex-military resettlement and entered into a partnership with Nordic Focus Training, a long established and well respected national training provider. Using the latter's Darlington training centre as a base, the programme offers courses to ex-military personnel in bricklaying and carpentry. The training programmes last for 18 months and include both classroom and workshop time as well as significant time on-site.

On completion, participants are qualified to NVQ Level 2 and become fully fledged bricklayers or joiners with Persimmon. Together with Nordic we are establishing another training centre in London in early 2015 to boost capacity. In recognition of the quality of our Combat to Construction programme, we have been made an approved employer by the Ministry of Defence, which allows us to advertise our vacancies on the Career Transition Partnership website. We aim to continue the scheme and recruit a further 300 ex-military personnel in 2015 with a similar number in 2016. In addition to our Combat to Construction initiative, other recent recruits have joined us directly from the forces and found roles as trainee site managers, sales advisors, quantity surveyors, health and safety advisors and telescopic handler operators.

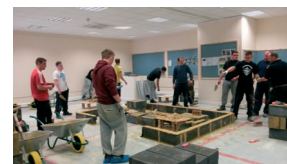
The effectiveness of our Combat to Construction initiative has attracted plaudits from numerous sources including senior officers in the armed forces and the Future Horizons Programme, which was set up by the Ministry of Defence to assist with the transition of former military, naval and air force personnel into civilian life.

“Combat to Construction is one of the most innovative and exciting projects I have seen in recent years. The Armed Forces have outstanding people looking to pursue a second career and the construction industry is looking to recruit quality individuals. Well done and thank you to Persimmon for ‘joining the dots’ and giving our Service Leavers this fantastic opportunity. It goes to prove that anyone with a Service background is adaptable, willing to learn and will give their team 100% commitment.”

**Brigadier GK Bibby** CBE, Commander, 15 (NE) Brigade

“The Future Horizons Programme really values the opportunities that Persimmon Homes have made available. A bespoke fully funded course in the construction industry, with a prestigious organisation and a real job at the end of it, is a fantastic opportunity for a lot of the Early Service Leavers we work with. The programmes Persimmon have run are well organised and offer our clients a route into a developing sector and a structured career.”

**Darren Bickerstaffe**, Programme Director, Future Horizons Programme



*Persimmon CEO Jeff Fairburn with Brigadier Greville Bibby and new recruits to the Combat to Construction programme.*

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# Training and Development

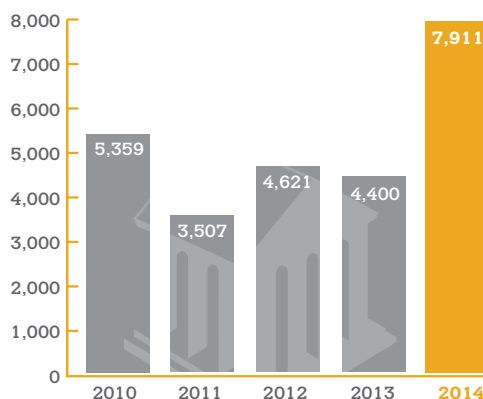
All of our employees are given the opportunity to develop their skills. Our training and development programme covers technical, managerial and behavioural skills underpinned by a significant focus on health & safety. All our training is tailored to the needs of the individual. In 2014, we provided 7,911 days of training for our workforce (2013: 4,400), which equates to 2.3 days per employee (2013: 1.6).

In the early part of 2015, we will be rolling out an enhancement to our existing IT system to improve recording of the type and amount of training delivered across the Group which will allow us to monitor all training we provide to employees and enable us to monitor the quality and effectiveness of our training.

Our training and development initiatives include:

- Accreditation programmes for site supervisors, managers and contracts managers leading to an NVQ level 3, 4 or 5
- Health & safety training for all employees, whether office or site based, to allow them to carry out their duties safely
- A full range of training modules for our sales staff delivered by our in-house Sales Trainers
- Full training and instruction for employees who use IT applications
- Regular customer service skills training for all employees responsible for customer care
- Support in the form of course/exam fees, study leave, and/or day release, for recognised professional qualifications

## Training Days



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## Health and Safety

Persimmon's approach to health and safety is based on careful planning and management of on-site activities. We encourage both collective and individual responsibility for health and safety risk identification and mitigation during the pre-start and construction phases of our developments.

During 2014 we increased the level of Group resource devoted to health and safety to ensure that health and safety remained our main priority during a period of significant increase in our production.

The new health and safety management structure will better support the Group's ability to plan, monitor and review the effective implementation of its health and safety management systems and will augment the department's existing responsibility to carry out unannounced inspections and incident led investigations of construction, customer care, sales and office work activities. This is intended to give more support to operational management by way of increased advice, assistance and the provision of training in response to performance monitoring findings.

Regular checks of work areas are also carried out by our senior management teams including documented inspections by Construction and Sales Management and regular site visits by Operational Directors.

With this additional resource our aim is to enhance the already robust Health and Safety Working Group reporting structure that sees our senior management and Group Health and Safety Team meet on a regular basis to review Divisional and Operating Business health and safety and where necessary make recommendations for continual improvement in our operational performance.

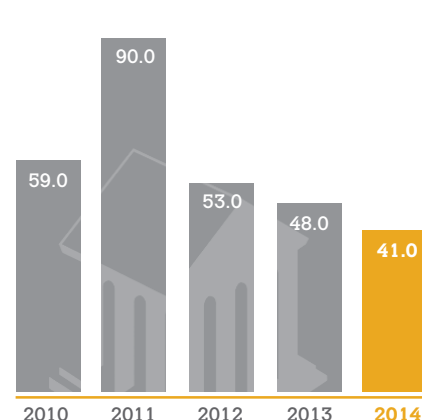
We report the number of work related accidents notified to the Health and Safety Executive (HSE) under the Reporting of Incidents, Diseases and Dangerous Occurrences Regulations (RIDDOR) for our reporting year, which runs from 1 January to 31 December. Overall, our performance in this important area has continued to improve and the total Group RIDDORs for 2014 was 41 (2013: 48), a 15% reduction on the previous year's figures. Likewise, our RIDDORs per 1,000 workers fell to 3.5 (2013: 5.0) or one RIDDOR per 329 homes sold (2013: 240). We will continue our efforts to reduce work related accidents to as low a level as possible.

The death of a supply chain driver on one of our construction sites in Wales has however overshadowed the positive 2014 accident statistics. The HSE are continuing its investigation into this matter and we hope on behalf of the family this will be concluded as soon as possible. We will ensure that the findings and lessons that can be learnt from this incident are communicated to our workforce.

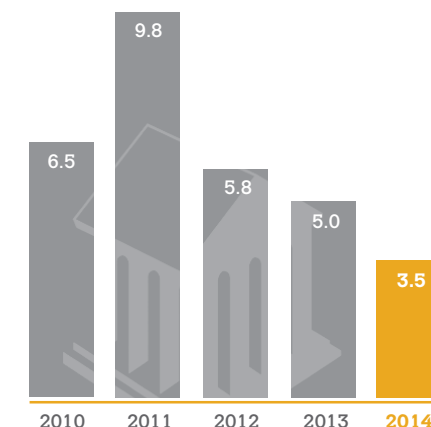
During 2014, Persimmon, along with its scaffold contractor, was prosecuted by the HSE for an accident that occurred in 2012 and as a result of these proceedings both parties were fined.

The Group also compares its performance against the "house building industry" statistics compiled by the Home Builders Federation (HBF) H&S Forum members and the "all construction industry" statistics produced by the HSE. These figures are collated annually for the 1 April – 31 March reporting period and show the Group RIDDORs per 1000 workers was 4.67 compared with the HBF rate of 3.51 and HSE rate of 4.12.

**No. of RIDDOR reportable accidents**



**No. of RIDDORs per thousand employees**



## Health and safety training

Health and safety training is provided to both our directly employed and supply chain workforce involved in construction, sales, customer care and office based activities. This focuses on the individual and collective measures to be taken to control the most significant risks associated with these operations.

We ensure induction training is provided to all new starters and provide ongoing Construction Industry Training Board (CITB) recognised training to our management teams, including Site Safety Plus (SMSTS, SSSTS), Scaffold Inspection and First Aid. The number of CITB recognised training days co-ordinated and provided by the Group in 2014 was 3,607 (2013: 2,441), an increase of 48%.

This is supplemented with regular management policy briefings and tool box talk training provided to our construction workforce. The focus of tool box talks is based on the findings of our performance monitoring activities including inspections, audits, incident led investigations and contact with the Health and Safety Executive. A programme of tool box talks is agreed for delivery by each of our Operating Businesses in their Health and Safety Action Plans for the forthcoming year. However, these programmes can and do change in response to the findings from our ongoing performance monitoring activities.

Persimmon recognises that training is a two way process. Whilst the training is to reinforce our safety message and emphasise the importance of implementing policy and procedure requirements, it also encourages workers to take a pro-active part in offering ideas and initiatives, as well as reporting near misses and dangerous occurrences.

Health and safety training in 2015 will be supported by DVDs produced by the Group that will be screened to our management and site based workforce on topics ranging from pre-start and site closedown activities to operational activities including working at height, traffic management and occupational health. The DVDs will include messages from our senior management that promote better communication and cooperation with the aim of improving behaviour and attitude towards managing and implementing health and safety controls within our work activities.

The Group continues to work closely with the Home Builders Federation (HBF) Health and Safety Forum to improve health and safety standards in the sector. As well as its involvement on the industry's response to the Construction Design and Management consultation process the Group has contributed to the production and ongoing research into industry guidance for scaffold, use of fall arrest systems and dust control. In relation to dust control our colleagues in Teesside helped the HSE to produce dust sampling findings for inclusion into the latter's overall study into this matter.

We continue to support the Qualifying the Workforce Initiative, which requires construction based personnel to obtain Construction Skills Certification Scheme (CSCS) Cards. This is skills based and aims to qualify the workforce and provide evidence of an individual's ability to carry out work they are engaged to undertake. To obtain a CSCS Card the individual must complete a mandatory health and safety test. In 2014, around 95% of the Group's site based workforce held a CSCS card.



Assistant Site Manager David Lang and Construction Director Paul Eastwood on site

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## Community

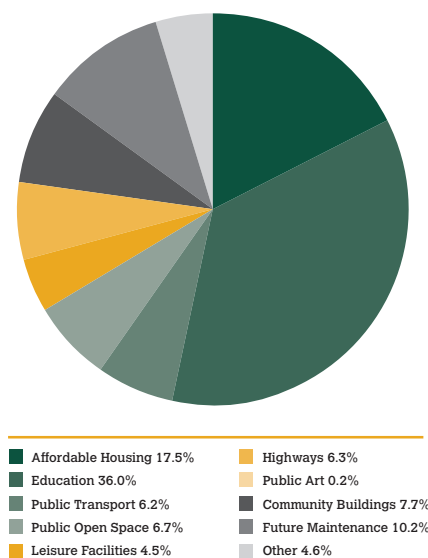
Building sustainable communities requires a detailed appreciation of the social, environmental and economic forces that shape them and identification of how these can be addressed to produce the desired outcome. Persimmon recognises the important contribution we can make towards solving some of the challenge of building such communities.

This means that when we are planning a new development site we take a holistic view of what is required. We will, for example, consider the existing landscape, transport infrastructure, educational and recreational provision, proximity to shops and services and other relevant factors. Working with the local planning authorities our aim is to create communities that are economically, socially and environmentally viable over the longer term.

In 2014, we delivered over £48 million in new community facilities, a 26% increase over the previous year (2013: £38 million). Over a third of this sum related to enhancements to educational provision and around 18% (£8.5 million) to the provision of affordable housing. Since 2012, we have invested £36 million in educational facilities alone.

In 2014, over 7,400 of the homes we sold (55% of the total) were built on brownfield land. Utilising such land reduces the pressure to build on greenfield sites while the remediation activity undertaken to remove contamination produces many environmental benefits.

### Community Investment



### Community Investment (£m)



Consultation with communities prior to development is an integral part of our approach and, we believe, allows us to share information about what is proposed while also allowing us to refine our plans to take account of the community's concerns and good ideas. More information about how we approach consultation can be found in the following sections:

- Community consultations
- Supporting community and charitable initiatives
- Sustainability in action

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# Community Consultations

When we promote our larger developments we carry out public consultations with the local community prior to submission of a planning application, in order that we can learn the community's views on our proposals, modifying them where appropriate.

Through public events, the consultation helps inform the general public of our proposals and gives them a better understanding of our proposed developments. Local residents and other interested parties are invited to attend and members of the project team are present to listen to any views and suggestions, learn about local issues and concerns and answer any questions.

Through these consultations local residents' views and suggestions are gathered and used to improve our proposals and, where relevant, incorporated into a Statement of Community Involvement which is submitted to the Local Council alongside our outline planning application.

Persimmon reviews all consultation comments and submits information as part of the planning application, which details the consultation process and how comments and views have improved the design of the proposed development.

On an increasing number of developments we have created community websites to allow residents to keep up to date with development proposals on a regular basis.

Please see our Port Marine case study on page 27.

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## Supporting Community and Charitable Initiatives

In addition to the contributions outlined elsewhere in this report, Persimmon supports numerous community projects, provides sponsorship and facilitates fundraising among its employees.

In 2014, a combination of Group donations and employee fundraising activities delivered a total of £165,000 to charitable and community projects (2013: £154,000).

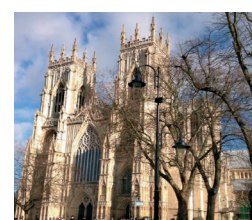
To see more examples of Persimmon's many charitable activities please see the case studies on pages 36 – 38.



*Little Miracles is a parent-led support group and charity based in Cambridgeshire that helps families with children who have additional needs, disabilities and life-limiting conditions. Persimmon Homes East Midlands and its employees raised £3,000 for the group through a number of different fundraising activities.*



Charity fundraising at our Wessex operating business



In 2006, Persimmon committed to support over a 10 year period the training of stone mason apprentices who are restoring the fabric of York Minster, one of the greatest examples of Gothic architecture in Europe.

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## Port Marine, Portishead, Bristol

### Themes: community, affordable housing, environmental sustainability

The Port Marine scheme near Bristol, demonstrates how Persimmon works with public bodies, key stakeholders and the local community over the longer term as a development evolves. Persimmon first secured planning permission for this development in 1997 and, since then, has undertaken significant investment to provide a wide range of infrastructure improvements to benefit the local community.

These include:

- Provision of new schools in Portishead
- Extensive areas of Public Open Space available for the residents
- Provision of public art in Portishead
- Sponsorship of local community groups to encourage social integration



Open space and children's playground at Port Marina.



The Portbury Wharf Nature Reserve was completed in 2006 and is now managed by Avon Wildlife Trust on behalf of Persimmon.

Persimmon worked in partnership with a number of registered social housing providers and North Somerset Council to deliver affordable housing to meet local needs. Regular meetings and communication were essential to this partnership arrangement.

Our Project Manager, who was responsible for both the pre-development and current development phases of the project, ensured community liaison was integral throughout. Community events have been organised, together with education programmes involving local schools.

Protecting the local ecology and drainage to prevent flooding have been the key challenges during this development, particularly as a large proportion of the site is located within a flood zone. This required Persimmon to devise and implement a detailed strategy for dealing with these challenges in partnership with statutory consultees, local planning authorities and local community.

Persimmon agreed with the local authority on an approved supply chain for the development, which principally included local sub-contractors drawn from within a twenty-five mile radius. This presented opportunities for local businesses to provide labour, training and employment, including apprenticeships.

Another major feature of the development is the Portbury Wharf Nature Reserve. This was completed by Persimmon in 2006 to replace habitat lost by a new development of 1,650 residential units on the site of a disused power station's ash lagoons at Portishead.

With input from Avon Wildlife Trust, we developed a design brief to provide another area of large open fields with very few hedges or trees – which provided excellent habitat for ground nesting birds prior to the new development. Following extensive earthworks over two summers, a series of hay meadows, shallow scrapes, open watercourse and a deep water filled pond were created. Extensive planting followed and, after a few years of selective maintenance, a wildlife paradise has been created.

We have established the Portmarine Management Company to act as the management vehicle for the Nature Reserve and also the Sea Defences, which has entered into a partnership with Avon Wildlife Trust to provide full time stewardship of the Reserve.

To sustain the running cost of the Nature Reserve a creative approach has been taken to meet the funding needs. Each of the 1,650 residents who have access to the Nature Reserve pay an annual rentcharge to the Management Company for the upkeep of the Nature Reserve. This is a very sustainable way to secure an income for running the Nature Reserve and we believe this is the first Nature Reserve in the UK to be wholly funded in this way.

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# Malvern Vale, Malvern, Worcestershire

## Themes: economic regeneration and sustainability

The North Site at Malvern was purchased by Persimmon from the Ministry of Defence in 2006. The site is situated close to the Malvern Hills, an Area of Outstanding Natural Beauty, and is ideally positioned close to Malvern town centre. The redevelopment consists of over 500 homes of which 43% will be social/affordable housing.

Originally, the site comprised of a collection of redundant buildings. Persimmon worked closely with Defence Estates and Malvern District Council to prepare a brief for the site's redevelopment to ensure a sustainable mixed-use development and efficient use of the landholding. The development is the largest mixed use redevelopment scheme to have been undertaken within Malvern Hills District. The Company's attentiveness to community interests has proved pivotal in achieving commercially viable planning and development consents.

Since development began in early 2007, Persimmon has continued to work closely with the District Council together with local ward members in seeking to deliver a distinct, sustainable development and respecting any concerns raised by existing nearby residents. Persimmon Homes has provided a quality mixed use development, which has enhanced the surrounding countryside as well as improving the existing environment within the site.



Aerial view of Malvern Vale site (outlined in red) prior to development.



Opening of Malvern Vale Community Centre.

Persimmon's masterplan for housing delivery and associated provision provided the best approach to a development of this size and scale. Key elements of the plan included:

- **Vision for the Community** – ensuring a diverse range of house types, clusters and tenures to deliver a scheme that creates a good community feel. The Local Centre provides a hub for community involvement, including a shop, community buildings and a site for the new primary school. Persimmon has also provided new recreational facilities.
- **Access and Movement** – major offsite infrastructure links and access arrangements were incorporated from the outset, with connections to the surrounding road network, as well as effective internal site management of pedestrian, cycle and vehicle traffic throughout the development.
- **Sustainable Development** – the development is predominantly a residential area with excellent accessibility by various modes of transport giving access to jobs, shopping and leisure facilities to create a self-supporting and independent sustainable community. The highest standards of modern methods of construction were used in the development together with sustainable drainage systems and an ecologically diverse habitat for both flora and fauna.

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# Garthamlock, Glasgow

## Theme: regeneration

Persimmon's development at Garthamlock, Glasgow has over four hundred new homes. Building first began in 2005 and the latest phase of development is currently underway offering a range of properties. The diversity of house types – and their affordability – has proved especially popular with customers.

This area was formerly occupied by tenement buildings of poor quality. In addition to providing new homes, Persimmon is building new shops to meet the needs of the residents and thereby contributing to the regeneration of the area.

The location of the development benefits from excellent public transport and road links to local amenities – including a large shopping centre with retail outlets and recreational facilities – and central Glasgow.



*New homes at the Garthamlock development.*



*Children and parents welcoming the arrival of a community flagpole donated by Persimmon to the local nursery.*

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# Louisburg Barracks, Hampshire

## Themes: localism, regeneration, affordable housing

Previously owned by the Ministry of Defence, this development will eventually include 600 homes, of which a quarter will be social/affordable housing. The emphasis will be on providing homes for families in two, three and four bedroom properties. In addition, there will be a smaller number of one and two bedroom apartments to enhance the streetscape and diversity of the development. It is anticipated that a large number of the homes sold will be supported by the Government's Help to Buy initiative. It is intended that some of the homes will be acquired by the Ministry of Defence to provide homes for members of the armed services and their families.

A significant feature of this site relates to the very extensive infrastructure improvement works that are being undertaken, including a new primary school and a bypass link road for the area.

Persimmon is also enhancing the local environment through the creation of a "green lung" public open space valley and an environmentally sustainable drainage network. Persimmon has also agreed to make a financial contribution towards the provision of off-site community facilities. As part of Persimmon's commitment to fostering employment opportunities and economic growth in the vicinity of our developments, we have agreed to offer a number of apprenticeships during the construction phase and to give preference to local businesses and suppliers.

Persimmon worked closely with the local Parish Council throughout the planning process to ensure that the development met local needs. The Parish Council were very supportive of the scheme and played a decisive role in securing planning consent.



*Louisburg Barracks site plan showing the "green lung" in centre.*



*Homes at Louisburg Barracks.*

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# Phoenix Place, North Hykeham, Lincolnshire

## Themes: brownfield site, regeneration, environmental sustainability

Phoenix Place is a new development of 2, 3 and 4 bedroom homes located on the outskirts of Lincoln. Twenty per cent of the development consists of social/affordable housing for rent or sale. Nearby Hykeham station provides direct services to Lincoln, Nottingham, Leicester and other parts of the East Midlands.

Lincolnshire as a whole has one of the lowest levels of inward investment compared to the national average, but over the past 30 years the Hykeham area has grown both in terms of population and industry. While many of the older, more traditional industries have departed, new businesses have been established offering a diversity of employment. Currently, Hykeham is a net importer of labour as the demand for houses locally far outstrips supply.



*Aerial view of Phoenix Park (outlined in red) prior to development.*

This development was previously the site of an iron foundry, which closed in 2007. Developing this brownfield site has required considerable investment from Persimmon. Specifically, Persimmon has made a significant contribution to improving transport infrastructure, which had been seen by the County Council as a major inhibitor of economic growth. Persimmon's support has included funding to improve local bus services and expand parking provision at Hykeham station, which will allow commuters and others to use public transport rather than their own vehicles.

Another interesting feature of the development is the incorporation of safe pedestrian and cycle routes that will remove the need for parents to use cars to take their children to the local school. Acknowledging the likely increase in families with young children, Persimmon has also funded additional places at the local secondary school and provided a public open space of five hectares in the centre of the development.

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## East Trowbridge, West Wiltshire

### Themes: brownfield site, affordable housing, energy efficient homes

This site was previously occupied by a large scrap yard. From the outset, Persimmon worked closely with the local council and community through a series of meetings to discuss our proposals and identify their requirements and ideas for developing the site. Around 150 new homes have already been built on the development which will eventually comprise 650 homes with a quarter allocated to social affordable housing. A major feature of the development is a large public open space.

The mixture of house types appeals to a wide range of customers with different aspirations and levels of financial resources. As such, the development makes a significant contribution to addressing the housing shortage in the area.

Sustainability is at the heart of this development with widespread use of insulated timber frame technology ensuring that all the homes are energy efficient. Persimmon focused on using local suppliers and contractors creating jobs and benefiting the local economy.

Persimmon managed the delivery of all necessary infrastructure while contributing financially to highway improvement, a community travel plan and the provision of a new school.



*Site prior to development (top) and upon completion showing the variety of homes available (above).*

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# Laburnum Road, Leicester

## Themes: social/affordable housing; sustainability

This site was previously local authority council housing but extensive repairs were required to improve the properties. Working with Leicester City Council – which will own and manage the homes – Persimmon secured grant funding from the Homes and Communities Agency and built 62 new homes that meet the Lifetime Homes and Code for Sustainable Homes Level 4 specifications. Many of the properties incorporate photovoltaic (solar) panels, which reduce carbon emissions and the cost of heating the properties.

A major factor in the local authority's decision to partner with Persimmon was our ability to meet these demanding efficiency standards through the use of Space4's insulated timber frame system and to complete the construction within just 13 months from the point at which HCA funding was confirmed. Persimmon's commitment to using local suppliers and contractors to create employment opportunities and other economic benefits was also a major contributory factor.



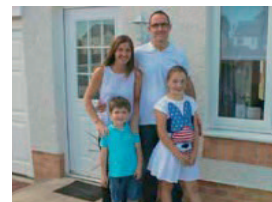
*Laburnum Road properties incorporating solar panels.*

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## Customer Care

Persimmon's Home Change scheme offers a bespoke service that values and sells customers' homes without them having to pay estate agents' fees. As moving home can be very stressful, ensuring that things go as smoothly as possible for our customers is a major consideration for Persimmon. Home Change helps take the stress of selling a home away as we provide our expertise in selling our customers' property quickly and for the best price.

Home Change was used by James and Gillian Hodge, who were keen to move into a larger property to meet the changing needs of their family. Their attempts to sell their previous home were thrown into disarray when the valuations they received from local estate agents fell short of what they believed their home was worth and what they needed to make the move a reality. After contacting Persimmon, we were able to help them sell their house in two weeks for a sum that more closely matched their expectations and move to a new Persimmon home.



*The Hodge family outside their new Persimmon home.*

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## Young Achievers of the Year Awards

To recognise the achievements of Persimmon's trainees and apprentices who have performed above and beyond the requirements of their roles, this year saw the inaugural Young Achievers Awards. Selecting the eventual winners proved to be challenging given the quality of the finalists – all of whom have got off to a flying start in their careers with Persimmon.

The Young Achiever 2014 and Business Trainee of the year was Chloe Simpson, who joined Persimmon's South Midlands region in 2013 as one of our first management trainees. Within months, Chloe had taken part in a national radio campaign alongside the Group Chief Executive to promote the value of 'on the job' training. Chloe's confidence and diligence, combined with her commitment to making the most of every learning opportunity, made her a worthy winner.



*Persimmon Young Achievers of the Year.*

The other winners were:

- Trade Apprentice of the Year: Ashton Quince.

Ashton joined Persimmon Homes East Midlands in September 2013 as an apprentice carpenter/joiner. Ashton's dedication was recognised by staff at Peterborough Regional College, where he studies for an NVQ Level Two as part of his joinery course, and they nominated him for the national SkillBuild competition. Run by the Construction Industry Training Board (CITB), it is the largest multi-trade competition in the country for construction trainees and apprentices.

- Sales Trainee of the Year: Natasha Hanson.

Natasha is based in Chorley with Persimmon Lancashire, where she works as a Trainee Sales Advisor, and has been with the company since November 2012. She sold her first new home within two months of joining the Company and went on to manage a development three months later, as well as spending time with the Company's nominated independent financial advisor and solicitors. So far in her career with Persimmon she has recorded 40 new home reservations.

- Duncan Davidson Award: Daniel Pryor.

This award is named in honour of Persimmon's founder and Life President, and recognises an individual who has made a significant contribution to the company's success. After graduating Daniel joined Persimmon as a land buyer and is based at our Midlands office in Northampton. His role focuses on identifying potential development land and negotiating contracts. His commitment to a particular project saw Persimmon being selected as the preferred developer and he is now working to finalise the deal.

To find out more about the Awards and what this meant to the participants themselves please visit <http://rileyphotos.dphoto.com/album/35b2an/photo/27337032>

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# Marie Curie Cancer Care: East Scotland

Throughout 2014, Persimmon employees in East Scotland – including those with personal experience of the traumatic effects of cancer – committed to raise funds for Marie Curie Cancer Care. The culmination of their efforts was a Charity Ball for colleagues and guests from the construction industry. More than 350 people attended the black-tie event at the Sheraton Grand Resort Spa in Edinburgh. Over £35,000 was raised on the evening which will fund two Marie Curie nurses for a whole year.

The Ball was compèred by Scottish comedian and radio presenter, Fred MacAulay. Guests got involved in a 'Strictly-style' dance off and enjoyed a medley of songs from a swing band before participating in an auction and prize draws. On the night, Marie Curie nurse, Lorna McGarry, gave a very personal account of her role with the charity and the difference she makes to families on a daily basis.



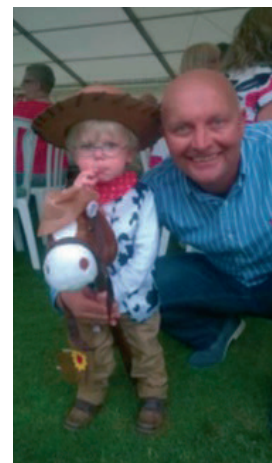
*Fred MacAulay, Lorraine Clelland (Persimmon Homes East Scotland's Sales Director), Lorna McGarry (Marie Curie), and Jim Kirkpatrick (Persimmon Homes East Scotland's Managing Director).*

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## St Leonard's Hospice: Yorkshire

Staff at Persimmon plc used their annual summer party to raise more than £6,000 for St Leonard's Hospice. The hospice provides palliative care and support for local people with life threatening illnesses and relies on the generosity of supporters to fund its invaluable work.

Staff contributed to the fundraising effort by taking part in a silent auction, tombola and raffle with many of the prizes having been donated by our suppliers and business partners. The total was boosted further by a donation from the Company. In addition to the fundraising activities, there were children's fancy dress competitions, a bouncy castle, giant garden games, coconut-shy and "welly-wanging competition", as well as a performance by a local jazz duo.



*David Jenkinson (Divisional Chief Executive – North), right, with one of the winners of the fancy dress competition.*

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## Cycle China Challenge: Thames Valley

Dawnet McLaughlin, from our Thames Valley office in Camberley, took on the Cycle China Challenge organised by Woman V Cancer. The challenge was to cycle 450 km in 5 days across China – including a visit to the Great Wall.

Dawnet saw the challenge advertised in a local newspaper and her decision to get on her bike was in part motivated by her personal experience of cancer amongst her family and friends.

Dawnet smashed her original target of £3,200 and raised more than £9,000. She and the other 100 or so participants have raised nearly £450,000 with the amount from the challenge being divided between Breast Cancer Care, Jo's Cervical Cancer Trust and Ovarian Cancer Action.



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# KPIs

|  | 2010    | 2011    | 2012       | 2013       | 2014              |
|--|---------|---------|------------|------------|-------------------|
| Housing completions  | 9,384   | 9,360   | 9,903      | 11,528     | <b>13,509</b>     |
| ENVIRONMENT  |         |         |            |            |                   |
| Energy use (Million kWh)   | 26.9    | 29.1    | 29.8       | 30.0       | <b>23.1</b>       |
| Carbon emissions (Tonnes CO <sub>2</sub> e)*                         | 14,051  | 13,985  | 14,305     | 14,111     | <b>13,700</b>     |
| Carbon emissions per home completed (Tonnes CO <sub>2</sub> e)*      | 1.5     | 1.54    | 1.37       | 1.20       | <b>1.00</b>       |
| Sustainable homes built (assessed against CfSH or EcoHomes standard) | 2,077   | 2,512   | 2,165      | 2,797      | <b>4,255</b>      |
| Average SAP Rating   | 83      | 84      | 83         | 83         | <b>83</b>         |
| Homes incorporating renewable energy                                 | -       | -       | -          | 845        | <b>1,215</b>      |
| Waste generated (Tonnes)   | 65,000  | 62,000  | 63,000     | 66,000     | <b>86,000</b>     |
| Waste per home completed (Tonnes)                                    | 6.9     | 6.6     | 6.4        | 5.7        | <b>6.4</b>        |
| Waste recycled (%)   | 82%     | 84%     | 88%        | 90%        | <b>90%</b>        |
| Homes built on brownfield land                                       | 5,716   | 5,370   | 5,546      | 6,225      | <b>7,390</b>      |
| Homes built on brownfield land (%)                                   | 61%     | 57%     | 56%        | 54%        | <b>55%</b>        |
| Trees planted  | 103,093 | 169,576 | 77,177     | 85,078     | <b>93,595</b>     |
| Trees planted per home completed                                     | 11      | 18      | 8          | 7          | <b>7</b>          |
| HEALTH & SAFETY  |         |         |            |            |                   |
| No. of worker RIDDOR Reportable incidents                            | 59      | 90      | 53         | 48         | <b>41</b>         |
| RIDDORS per 1,000 employees  | 6.5     | 9.8     | 5.8        | 5.0        | <b>3.5</b>        |
| HSE Prosecutions   | 0       | 0       | 0          | 0          | <b>1</b>          |
| HSE Enforcement notices  | 1       | 0       | 0          | 1          | <b>7</b>          |
| WORKING AT PERSIMMON   |         |         |            |            |                   |
| Total employees  | 2,414   | 2,432   | 2,515      | 2,791      | <b>3,453</b>      |
| Female employees (No.)   | 822     | 852     | 895        | 928        | <b>1,001</b>      |
| Female employees (%)   | 34%     | 35%     | 36%        | 33%        | <b>29%</b>        |
| Female directors   | 21      | 22      | 20         | 20         | <b>19</b>         |
| Training days provided   | 5,359   | 3,507   | 4,621      | 4,400      | <b>7,911</b>      |
| Trainees and Apprentices (%)   | 2%      | 3%      | 4%         | 10%        | <b>13%</b>        |
| CUSTOMERS  |         |         |            |            |                   |
| NHBC/HBF Customer Care Standard                                      | 3 star  | 4 star  | 4 star     | 4 star     | <b>3 star</b>     |
| PERSIMMON IN THE COMMUNITY   |         |         |            |            |                   |
| Social and affordable homes completed                                | 1,779   | 1,791   | 1,686      | 2,121      | <b>2,256</b>      |
| Social and affordable as a proportion of total completions           | 19%     | 19%     | 17%        | 18%        | <b>17%</b>        |
| Infrastructure contributions (£)                                     | -       | -       | 33,600,000 | 38,300,000 | <b>48,400,000</b> |
| Charitable donation made by the Group (£)                            | 93,200  | 94,000  | 359,000    | 96,000     | <b>113,000</b>    |
| Employee charitable fundraising (£)                                  | 65,400  | 91,000  | 45,200     | 58,000     | <b>58,000</b>     |

\* Note: Previous years (2009-2012) carbon emissions have been restated using DEFRA updated CO<sub>2</sub>e conversion factors.

