

**Sustainability Report 2009**

CREATING  
A RESILIENT  
AND SUSTAINABLE  
FUTURE FOR  
OUR BUSINESS  
AND CUSTOMERS

# ABOUT PERSIMMON

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## Introduction

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Persimmon is a leading UK national housebuilding company established in 1972. In 2009 we sold 8,976 homes and our turnover was £1.4 billion.

Our business operates under three main brands, Persimmon Homes, Charles Church and Westbury Partnerships.

Persimmon Homes is our core family housebuilding business, with Charles Church providing a range of more exclusive homes. Westbury Partnerships focuses on social housing using energy efficient products from Space4, our timber frame manufacturing operation.

We operate from three geographic divisions, North, Central and South with 25 regional operating businesses, each led by a Managing Director and a management team with local knowledge and experience.



Further information about Persimmon can be found at:  
[www.corporate.persimmonhomes.com/](http://www.corporate.persimmonhomes.com/)



**PERSIMMON**  
Together, we make a home



**CHARLES CHURCH**

THE NAME ON THE FINEST HOMES

**Westbury**  
partnerships

# PUTTING THINGS IN CONTEXT

## About this report

This report provides information on our sustainability performance against each of our six responsibilities for 2009, covering all our operations. Further information concerning our Group management structure, including downloads of all our policies, can be found on the Corporate Responsibility pages of our website.

## Our strategy

We have a clear and practical approach to sustainability. Our strategy is based on six responsibilities that set out what we believe it means to be a responsible housebuilder.

## Progress against objectives

In 2009, we identified five objectives which have all been successfully completed during the year. Our progress and the actions taken to meet each objective are summarised in the relevant sections of the report.

## As a responsible housebuilder, we aim to:



### Build sustainable homes

See pages → 05 to 08



### Operate efficiently

See pages → 09 to 12



### Develop relationships with our communities

See pages → 13 to 16



### Promote skills

See pages → 17 to 18



### Prioritise health and safety

See pages → 19 to 20



### Care for our customers

See pages → 21 to 22

## Manage sustainability

See pages → 23 to 24 and our sustainability data table on page 25

# THE BIGGER PICTURE

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## Chief Executive's welcome

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Welcome to our latest Sustainability Report in which we highlight our achievements during 2009 and show how we are working to create a resilient and sustainable future for our business and customers whilst meeting the expectations of our stakeholders.

Corporate responsibility not only provides benefits to the communities in which we operate, it is fundamental to the continued success of our business. It can help us to reduce costs, manage risk and identify development opportunities.

We recognise that sustainability is one of the most significant issues facing housebuilders today. We support the Government's Code for Sustainable Homes and are well prepared for the challenges that it has given to our industry. In 2009, we built more homes than ever before that were successfully assessed against this standard.

Space4 our timber framed manufacturing division is at the leading edge of the energy efficiency agenda, leading the way by designing thermally efficient timber frame homes that can be built quickly. We are pleased to report that c.20% of our homes are now constructed using this technology.

We are particularly proud that our ability to demonstrate our corporate responsibility credentials has helped us to access more Government funds than any other housebuilder and enabled us to build affordable homes through the HomeBuy Direct and Kickstart schemes. This has been particularly important in a year when we again faced challenging market conditions.

Since 2007 we have halved the amount of waste we generate, reducing our costs and our impact on the environment. Over 75% of our waste is now recycled.

Other performance highlights in 2009 include reducing the number of accidents on our sites by 40% and customer satisfaction being at a five year high, with 91% of our customers saying they would recommend Persimmon to a friend.

In 2010, we will continue to take advantage of the opportunities that the sustainability agenda offers and build on the achievements of the past year. We will continue to embed corporate responsibility into our everyday operations in the knowledge that it will be important to the future success of our business and to the benefit of the communities in which we build our new homes.

**Mike Farley**  
Group Chief Executive  
22 March 2010



**Mike Farley** Group Chief Executive

# SUSTAINABILITY AT PERSIMMON: OUR SIX RESPONSIBILITIES

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## Addressing our stakeholders

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Persimmon is one of the UK's leading housebuilders. We have many stakeholders who have an interest in what we are doing and how we operate. Our challenge is to define a strategy that meets the needs of our business while fulfilling the expectations of all these different groups.

Sustainability means many different things to different stakeholder groups. Planning authorities want to know how we build to the Code for Sustainable Homes, whereas our customers want to know how our environmental impacts are managed. Understanding these views and balancing them against the variety of needs that our shareholders have is vital to our success.

This insight helps us to perform better – financially and operationally. We believe that by defining clear responsibilities, based on a review of our material impacts and core operations, we can manage our increasing sustainability throughout our business in a way that is transparent and robust.

### Persimmon has identified six key stakeholders:

- |  |
|--|
| 1 ▶ Customers and communities                        |
| 2 ▶ Employees  |
| 3 ▶ Investors and analysts                           |
| 4 ▶ Suppliers, sub-contractors and business partners |
| 5 ▶ Local planning authorities and landowners        |
| 6 ▶ Government and regulators                        |

This report is tailored specifically to respond to the main sustainability issues raised by these important stakeholder groups. Whilst the report is structured around our responsibilities, it is our intention that the information provided is accessible and meaningful for all.

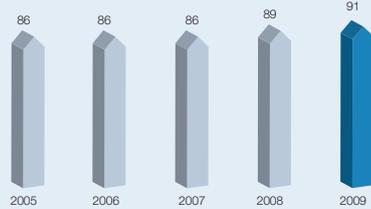


# OUR PERFORMANCE

## Key performance indicators

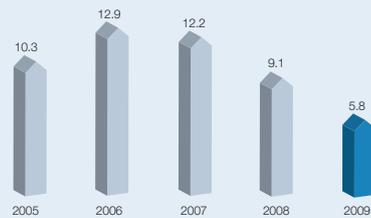
### Customers that would recommend Persimmon to a friend %

We undertake regular customer satisfaction surveys to ascertain our customers' opinion of our overall service and the quality of our homes.



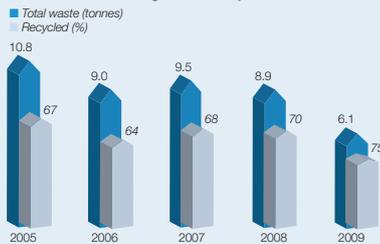
### The Reportable Injuries Disease and Dangerous Occurrences Regulations (RIDDORs)

We monitor our health and safety performance by constantly reviewing our incident rate of RIDDORs reported per 1,000 employees.



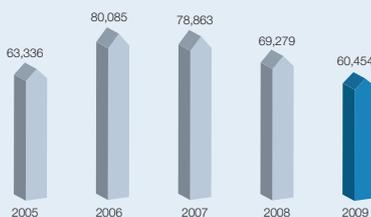
### Waste generated per home sold

To monitor our operational and environmental efficiency, we collect data on the amount of waste we generate and recycle for each home we sell.



### Landbank Plots

Land is our key raw material and we monitor the amount of land we control with planning permission to ensure that we have continuity of supply.



### Building sustainable homes

- 1,720 homes built to Code for Sustainable Homes and EcoHomes standards.



### Promoting health and safety

- 40% reduction in our RIDDOR incident rate.



### Working with local communities

- 1,622 social affordable homes built for Housing Associations.



### Caring for our customers

- 91% of our customers would recommend Persimmon to a friend.



### Environmental management

- 75% of construction waste recycled.



### Caring for the environment

- 82,770 trees planted.

# BUILDING A SUSTAINABLE FUTURE

## Building sustainable homes



### 2009 achievements

- 1 ▶ 732 Code for Sustainable Homes built.
- 2 ▶ 988 EcoHomes built.
- 3 ▶ 19% of the homes we sold were assessed and achieved Code for Sustainable Homes or EcoHomes standards.
- 4 ▶ Assessed a wide range of renewable technologies that can be used to improve the sustainability of the homes we build.
- 5 ▶ Introduced a sustainability library to share best practice across the Group.
- 6 ▶ Built over 2,000 new homes using our innovative Space4 timber frame system greatly improving thermal efficiency and reducing the build time of new homes.

**“The homes we build have a significant lifetime. Through their occupation, each home we build will have an impact on the environment around it. We have a responsibility to create homes that are efficient and enable our customers to minimise their social and environmental impacts.”**

Persimmon Sustainability Policy  
February 2010

### The importance of building sustainable homes

The role of a modern housebuilder is not just to build houses: we create homes and build new communities.

Our customers have higher expectations in terms of the environmental standards and energy efficiency of the homes they buy. They understand that the way they live has a long term affect on the environment, so we make sure that our homes are energy efficient and incorporate the features they want to help them minimise their environmental impact.

Family circumstances often change, so a modern home needs to be adaptable and able to accommodate these changes. We build many of our homes to be flexible enough to embrace the needs of families as they live and grow.

We know that our customers want to know their neighbours and live as part of a community with access to a range of facilities that serve them well. People want convenience and choice, for example, to use public transport or to be able to work from home, so they need infrastructure for their community.

When we are planning our developments and homes, we take account of all these issues and work to find the right balance. We know that sustainability and the way that we embrace the agenda has – and will continue to have – a crucial and beneficial role to play.

### Reviewing the Code for Sustainable Homes

Since its launch in 2006, the Government's *Code for Sustainable Homes* standard (the Code), has become an important factor in the way we design and build our homes. It is a national standard for the design and construction of new homes aimed at tackling climate change by reducing carbon emissions and creating homes that are more sustainable. It measures sustainability against nine categories, rating the 'whole home' using a simple rating system – based on Levels of one (lowest) to six (highest) – to communicate overall performance. The Code replaces the previous EcoHomes scheme.



### Achieving Code Level 3

#### Development:

Millbrook, Risca, Ebbw Valley, Newport in Gwent, South Wales.

#### No. of homes:

72 homes, of which 32 were affordable homes for rent.

#### Housing Association:

Fairlake Housing (Seren Group).

#### Previous land use:

Former iron and steel works.

#### Key features:

- Lifetime Home design
- Space4 timber frame technology
- Innovative cavity insulation
- Photovoltaic roof panels
- Water butts
- Secure bicycle storage



2009 objective met

**“Review the implications of the Government's Code for Sustainable Homes and the opportunities to develop a consistent approach for meeting these standards across the Group.”**

## Building sustainable homes continued



### Achieving Code Level 4

**Development name:**  
Knowle, Bristol.

**No. of homes:**  
24 homes, all of which were affordable for rent.

**Housing Association:**  
Somerset Community Housing Trust.

**Previous land use:**  
Previously derelict school.

#### Key features:

- Lifetime Homes design
- Photovoltaic tiles incorporated into the roof design
- Space4 timber frame technology
- Increased thickness of insulation (400mm) in the roof space
- Reduced flow showers, space saver baths and aerated taps
- Internal and external recycling facilities provided
- Composting bins provided for each dwelling
- Rainwater harvesting

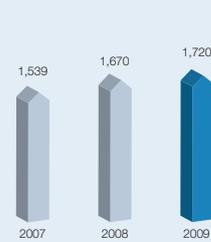


Using rainwater harvesting to reduce mains water consumption.

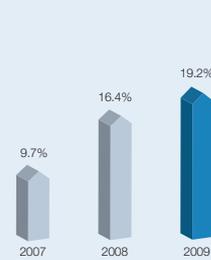


Building efficiently using Space4 timber frames.

Number of homes built to Code for Sustainable Homes and EcoHomes standards



Code for Sustainable Homes and EcoHomes as a proportion of total homes sold



Persimmon supports the introduction of the Code and the greater standardisation of what a sustainable home should be. We are working hard to develop ways to achieve the best possible Code Levels and have undertaken a Group-wide review of approaches used across our operating businesses. At the moment, we estimate that meeting Code Level 3, broadly equivalent to the old EcoHomes 'very good' rating, costs us an extra £4,000 per home. Building to Code Level 4 could cost upwards of £10,000 per house. We consider this a worthwhile investment on behalf of our customers and as technology develops, we expect these costs to reduce as more innovative ways of meeting the Code become standard.

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## Building sustainable homes continued

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Space4 in action Persimmon Homes Hampton development in Peterborough.

### Space4 Building for the future

In order to meet increasing sustainability requirements and work towards the Government's 2016 zero carbon home target, Space4 has developed a new 'Eco Housing' range. Persimmon have worked with Space4 to develop the most effective process from factory production to installation.

The unique feature of Space4 is the high performance insulation injected into the wall panels before they are delivered to site. The level of insulation in the wall panels can be altered, improving thermal efficiency whilst providing flexibility and a cost effective build solution.

Space4 provided housing solutions to over 70 sites in 2009 and was used in the construction of over 2,000 homes. The Eco Housing range is part of our continuous commitment to developing solutions to meet the challenging targets of building affordable energy efficient sustainable homes.

Further information on Space4 can be found at [www.space4.co.uk](http://www.space4.co.uk)

**space4...**  
fast track construction system

In 2009, we completed 732 homes that met the Code for Sustainable Homes, of which 698 were to Code Level 3 and 24 to Code Level 4. This compares to just 17 homes completed to Code Levels in 2008.

We also completed some developments started a number of years ago which were assessed against the EcoHomes standard, prior to the introduction of the Code. We completed 988 homes assessed against EcoHomes of which 62% attained the 'very good' standard or better.

In 2009 we completed 1,720 homes which achieved the equivalent of Code Level 3 representing 19% of the total homes sold by Persimmon. This continues the positive work that we undertook last year and we are pleased to see the number of sustainable homes we build increase year on year, both in number and proportion of our output.

The Code for Sustainable Homes supports the Government's target that all new homes approved for construction will be zero carbon from 2016. The Government is now consulting on changes to the Code in light of changing regulations and the development of the zero carbon definition. As one of the UK's leading housebuilders, we are actively taking part in this debate to support greater sustainability of new homes and to ensure that the zero carbon standard is capable of being delivered by the housebuilding industry.

### Incorporating sustainability features into our homes

One of Persimmon's strengths is our genuinely local, yet national approach.

We are able to draw on a diverse pool of knowledge and expertise from across the Group, which covers innovative building techniques, trialling new technology and improving the fabric of our buildings.

Across the Group, we have tried and tested an array of new technologies – such as air and ground source heat pumps, photovoltaic cells, solar thermal panels and rain water harvesting.

In 2009, we used renewable energy sources in 765 of the homes we built (8.5% of all the homes we sold) compared to just 88 homes in 2008.

In the majority of homes, we install energy efficient light fittings and bulbs and all the appliances we offer have an energy rating of B or more. In addition, Space4 enables us (and other housebuilders) to build homes using an extremely energy efficient timber frame system. In 2009, Space4 was used on around 22% of the homes we built.

We make sure we capitalise on our knowledge of what works well and perhaps more importantly, what does not. By using a company developed shared database (INVU) library that is updated and accessible by all our operating businesses, we have created a vital resource of information on sustainable technology and products for our business. This library will become increasingly important for our business over time.

#### 2009 objective met

**“Develop a mechanism for effectively sharing best practice on sustainability issues across the Group, particularly in relation to features that can be incorporated into the homes we build.”**

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## Building sustainable homes continued

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### Building energy efficient homes

For many years we have measured the energy efficiency of our homes using the Standard Assessment Procedure – more commonly known as the SAP Rating. This is the UK's chosen method for complying with the European Directive on energy labelling of domestic buildings.

Home Information Packs (HIPs), required by all new homes, use SAP to calculate the energy performance of a home and predict the savings that might be achieved if improvements are made. This rating is also used for the Energy Performance Certificates that we display in all our homes for sale.

SAP ratings are based on the cost of heating and hot water since these are the costs that dominate domestic fuel bills. The rating scale in SAP runs from 1 for extremely inefficient buildings to 100 for a dwelling costing theoretically nothing to run.

In 2009, the average SAP rating of a Persimmon home was 82. This compares to a figure of 86 in 2008 and an average SAP rating of new homes in England and Wales of 78.5<sup>1</sup>. We are committed to improving the energy efficiency of the homes we build, in the knowledge that the average Persimmon home is substantially more energy efficient than the majority of existing homes.

It is difficult to pinpoint exactly why our average SAP rating has reduced but some initial analysis suggests that some new technology options available to us may have had a negative impact on our SAP rating. For example, our use of air source heat pumps which absorb heat from the outside air and use this to warm the home, use electricity which is taken into account under the SAP assessment process. As the SAP is based on energy costs this can reduce the SAP rating

However, to put our figures in context, results from the latest English Housing Condition Survey<sup>2</sup> show that the average SAP rating for social sector homes was 58 compared with 48 for the private sector. It is clear that new homes are far more energy efficient than existing housing stock, reinforcing the role that modern housebuilders have in reducing carbon emissions.



An energy efficient home at Oakridge, Milton Keynes, Buckinghamshire.

<sup>1</sup> DSO 2.5: Average Energy Efficiency (SAP rating) of new homes, England and Wales (November 2009). <http://www.communities.gov.uk/publications/corporate/statistics/dso2-5>

<sup>2</sup> English House Condition Survey – 2007 Annual Report (September 2007). <http://www.communities.gov.uk/publications/corporate/statistics/ehcs2007annualreport>

# CARING FOR THE ENVIRONMENT

## Operating efficiently



### 2009 achievements

- 1 ▶ 50% reduction in the total amount of waste we have generated since 2007.
- 2 ▶ Recycled 75% of the waste generated on our sites.
- 3 ▶ CO<sub>2</sub> emissions have reduced by 20% on a like for like basis.
- 4 ▶ Established a network of Environmental Champions across the Group.

**“As a housebuilder, our activities have a potentially significant environmental impact. We have a responsibility to manage and minimise this impact.”**

Persimmon Sustainability Policy  
February 2010



Recycling at Persimmon Homes Anglia.

### A strong approach to environmental management

We first published our Environmental Policy in 2002. Each year this has been reviewed by our CR Committee to keep it up to date with changes in our business, the housing market, Government regulation and our improving level of sustainability.

The policy is supported by our Environmental Management System (EMS), which has been in place for six years. It covers all parts of our business and is modelled on the requirements of ISO 14001, adapted to ensure direct relevance to our business. In addition, Space4 is certified to ISO 14001.

Our EMS covers the environmental impacts associated with land appraisal, remediation, purchasing, manufacturing and construction. Its key aims are to ensure that we comply with relevant legislation and planning conditions, while assisting and supporting our operating companies to improve their environmental performance and safeguard against any environmental incidents.

### Minimising our environmental impact

On the majority of sites, we undertake a full Environmental Impact Assessment. This is instrumental in formulating our development and site management plans. If a particular issue is identified we then work with experts to adapt our plans to prevent any environmental damage to local habitats. On many occasions we will undertake a survey of local biodiversity to ensure that flora and fauna are protected before construction starts.

Once our sites are operational we have in place procedures for good practice by our employees and subcontractors. Operating procedures are made clear to all site operatives when they enter a site and they are regularly updated via training and ‘tool box talks’. In the event of an incident, the emergency procedure detailed in our EMS comes into play to ensure we are quick to minimise any damage.

We were subject to one environmental prosecution during 2009 relating to the pollution of a stream by a private sewage treatment works at a joint development at Deeping St Nicholas, Lincolnshire. The cause of the leak was due to a power failure. Since the incident, we have installed emergency monitoring equipment to alert us to any power failure and help us to avoid similar incidents in the future.

Waste is by far our greatest operational environmental impact. We have a waste and resource management policy, developed with WRAP (a government agency), which has been implemented across all our operating businesses. This outlines our commitment to improving resource efficiency by reducing material use and waste disposal.

In addition, we produce detailed Site Waste Management Plans for all our sites to document their approach to waste management and to record how much waste is generated. These are subject to review at any time by the Environment Agency.

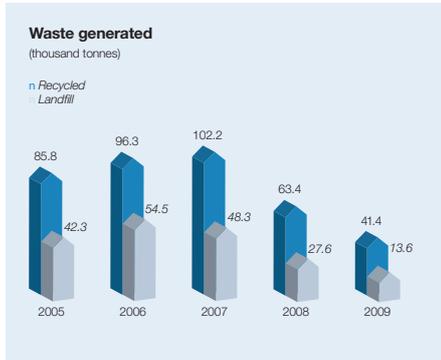
As a result of our efforts and commitment to reducing waste, we are pleased to report a 40% reduction in the amount of waste we generated in 2009. Overall we generated 54,900 tonnes of waste (2008: 91,047 tonnes).



### 2009 objective met

**“Reduce the amount of waste generated per home built by 5% by December 2009.”**

## Operating efficiently continued



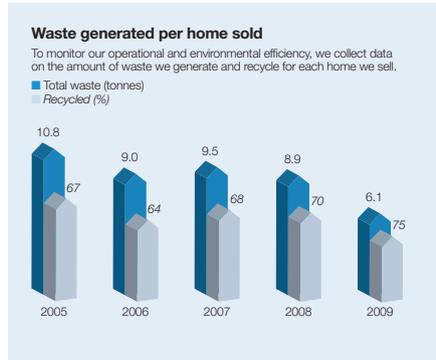
### Reducing waste and increasing recycling

We reduced the waste generated per home from 8.9 tonnes in 2008 to 6.1 tonnes in 2009, a 31% reduction. In very broad terms this equates to one less skip full of waste generated per home.

Since 2007, we have more than halved the total amount of waste we generate. We are extremely pleased to report this significant performance improvement, continuing the improving trend of waste reduction across the business.

As we have reduced the waste we generate, we have also increased the amount of material that we recycle. In 2009, 75% of our waste was recycled, an increase of 5% more than in 2008. The amount of waste sent to landfill reduced by 50% to 13.6 thousand tonnes.

It is our policy to recycle as much material as possible from ground workings. Spoil is only removed in limited cases where decontamination is necessary. In virtually all other cases spoil and demolition material is recycled as landscaping or hard standing, for example under drives.



The circumstances of each site, such as its location or available space, dictate how waste is managed. In many cases, waste is segregated on-site and material is collected individually for recycling. In other instances, waste is segregated away from the site at a Material Recycling Facility.

We minimise the waste we generate through the careful ordering of materials. Increasingly, we are using pre-fabricated components, such as stair kits, roof trusses and door kits. We have worked with British Gypsum and are using pre-fabricated plasterboard panels which do not require cutting to size. If there is any plasterboard waste, we recycle it; we recycled 1,200 tonnes in 2009.

We have also worked with our engineered joist supplier to encourage a partnership with our timber supplier to recycle waste from the joist manufacturing process to produce MDF boarding for use in our homes, significantly reducing waste and costs.

Similarly, we are using more products made from recycled materials. Across the Group, we are running a number of trials to test the suitability and durability of these products. If they prove successful and equivalent in performance to existing products we will ensure they are used across all of our operating businesses.

## Using recycled products

### Recycled aggregates

Our sites regularly use recycled aggregates in preference to virgin products for temporary roads, hardstanding and pile mats.

### New products

We are currently in the process of trialling two innovative recycled products, amongst a range of others across the Group:-

#### Site hoardings

Eco-sheet is made from a mix of recycled polymers and other recycled materials including waste electrical and electronic equipment. We are trialling this material as an alternative to the temporary plywood hoardings that usually surround each of our sites during construction, as plywood is very difficult for us to recycle once a development is finished. At the end of its useful life Eco-sheet can be recycled again rather than go to landfill.

#### Pathway edging

Our Yorkshire operating business is currently trialling an innovative path edging product manufactured from plastic household waste packaging. This product looks and behaves in a very similar way to the equivalent concrete products currently used.

## Operating efficiently continued

### Sourcing sustainable timber

In 2009, we used approximately 48.2 thousand cubic metres of softwood timber in building our homes, a reduction of 4.9 thousand cubic metres compared to 2008.

Agreements with our timber suppliers ensure that 100% of the softwoods they provide, such as timber in roof trusses and engineered floor joists, are from sustainable sources, certified to PEFC or FSC standards.

### Reducing our carbon footprint

In 2007, we published our Climate Change Position Paper. This sets out our approach to climate change and how we address our risks and assess our impacts. It outlines three areas of action; building homes that are energy efficient; building homes that are able to adapt to the impacts of climate change and reducing our own emissions.

By far the most important of these areas relates to building energy efficient homes. There are more details on how we tackle this and our performance on page 8.

We collate data relating to our own operational emissions from energy used in our offices and the fuel used by our Company vehicle fleet. We are working on ways to get better energy use data from our sites but currently this is excluded from our figures.

For the first time this year we have been able to collect reliable data on our gas consumption in addition to our electricity consumption. This gives us a more complete picture of our energy use.

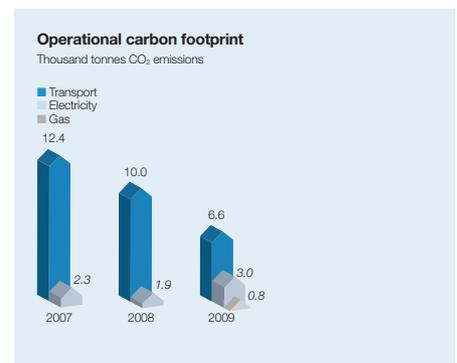
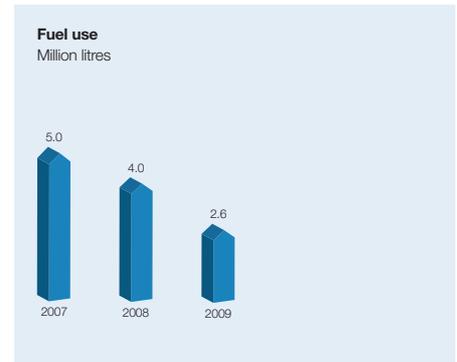
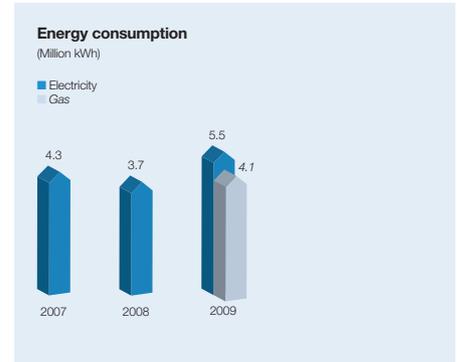
In 2009, we used 9.6 million kWh of energy, of which 5.5 million kWh was electricity and 4.1 million kWh was gas. Our electricity use increased in 2009 compared to 2008. We have undertaken a detailed review of our data collection processes during 2009, so we suspect that part of this increase is a result of more reliable data. Carbon dioxide emissions associated with the Group's energy use were 3,800 tonnes.

There are 765 vehicles in our Company fleet compared to 889 vehicles in 2008 and we are also using more fuel efficient vehicles. These vehicles used 2.6 million litres of fuel, a 35% reduction on the previous year (2008: 4.0 million litres). Fewer vehicles explain part of this achievement, along with less journeys being made as there have been fewer operating sites compared to previous years. As a consequence the carbon emissions associated with our vehicle fleet has fallen by one third from 10,000 tonnes in 2008 to 6,600 tonnes in 2009.

We have also taken the step this year to set CO<sub>2</sub> limits on the type of cars available to employees at different grades within our business. We hope that introducing a basic limit of 160gCO<sub>2</sub>/km for most eligible employees will encourage them to carefully consider their choice of car.

We are pleased to report that on a like for like basis (excluding gas consumption) our carbon dioxide emissions reduced in 2009 by 20% to 9,600 tonnes (2008: 11,900 tonnes). This is primarily a result of the significant reduction in our emissions from Company car fuel, which has offset the increase in emissions from our electricity use.

If we factor in our gas consumption – which we measured for the first time this year – our emissions have still reduced by 13% to 10,400 tonnes, maintaining the downward trend of previous years.



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## Operating efficiently continued

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### Using water efficiently

Modern construction processes and materials have reduced the amount of water we use on-site to build homes to a very low level. As an example, concrete and mortar, two of the fundamental elements of the building process, often come premixed and ready to use from our suppliers. As our on-site water consumption is low, we have only monitored the water used in our offices in 2009.

In 2009, we used approximately 6,120 litres of water in our offices. This has remained unchanged since 2008 (16,117 litres). We will continue to monitor our water consumption in 2010 to identify any locations where we could reduce our consumption.



#### 2009 objective met

**“Review and quantify water consumption across the Group by December 2009.”**

### Establishing environmental champions

At the beginning of the year, we developed a detailed schedule of environmental initiatives that could be introduced at our offices, from recycling waste to reducing office energy consumption. Each office was asked to review this list and select initiatives which could be implemented, allowing them flexibility to choose initiatives appropriate to their building and office environment.

To support this process, employees from each operating business were asked to volunteer to be local Environmental Champions. We were very pleased by the uptake of this initiative and we now have Champions in all our operating businesses.

In some cases, we have gone further, particularly where there were a large number of volunteers. Our West Midlands operating business has now established its own environmental committee, which monitors a number of initiatives to encourage better environmental performance.



#### 2009 objective met

**“Implement a campaign to increase the awareness amongst office based employees of environmental issues and to reduce energy used in offices during 2009.”**

### Working in partnership with our suppliers

Our Supplier Principles have been in place across the Group since 2005. These are reviewed annually and set out minimum standards that we expect our suppliers to meet in terms of their social, ethical and environmental behaviour. All new suppliers are required to sign up to our supplier principles as a condition of supplying goods and services to the Group.

To monitor the general performance of our supply and fit and labour only sub-contractors, we operate a feedback and scoring system. Site managers provide feedback on all aspects of a supplier's performance, including adherence to safety procedures and capability. In parallel, surveyors from our commercial teams monitor quality of workmanship and service. Using this information, we provide feedback to our sub-contractors at meetings twice a year.

We follow a similar process when buying materials. Group supply contracts are agreed for around 70% of building materials to maximise cost effectiveness, consistency of supply and specification. Local contracts are entered into for the remaining 30% of materials, to give flexibility and responsiveness to meet the needs of particular developments, as well as to support local suppliers. As with our sub-contractors, we also provide feedback to our materials suppliers twice a year.

All our supply contracts are reviewed on a regular basis to ensure fairness and best value. We favour long term relationships with our suppliers which enables us to obtain best value and gives our suppliers the security to invest in research and development of new products. Although there has been a downturn in production levels over the past few years, we know how important it is to maintain good relationships with all our suppliers. When demand in new homes increases again, we will need our suppliers to be able to respond quickly and effectively.

# BUILDING AFFORDABLE HOMES FOR ALL

## Building new communities



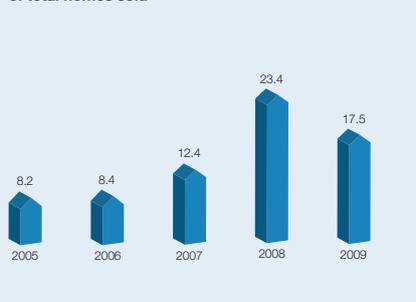
### 2009 achievements

- 1 ▶ 1,622 affordable social homes built for housing associations representing 18% of our total home sales.
- 2 ▶ 63% of homes built on previously developed land.
- 3 ▶ Over £17m invested in new community facilities, through planning agreements with local authorities.
- 4 ▶ Grow Your Own campaign launched nationwide to encourage healthy eating and interest in outdoor activities amongst school children.

**“Our operating businesses are located in the heart of the communities in which we build. We have a responsibility to act in a way that is considerate and takes into account the views and opinions of local residents. We also recognise the opportunity to enhance their facilities and surroundings, and contribute to the local economy through employment and other opportunities.”**

**Persimmon Sustainability Policy**  
February 2010

Affordable social homes as a percentage of total homes sold



### Building affordable homes

We recognise that including different elements in our developments, whether commercial space, community shared areas or affordable homes, adds to the diversity and character of a community.

For many years, Persimmon has built affordable homes for housing associations and registered social landlords for rent and shared ownership sales. This is part of our balanced approach to development.

Our Westbury Partnerships business acts as the focal point and centre of expertise for our work in this area, particularly in developing strong partnerships with the Government's Homes and Communities Agency (HCA), local authorities and housing associations.

Over the past year we have been extremely pleased to be very active players in the Government's HomeBuy Direct and Kickstart shared equity schemes, both of which have been set up to address the affordability of new homes whilst stimulating the housing market.

In 2009, we built 1,622 affordable homes representing 18% of our total output. This compares to 2,389 homes (23.4%) in 2008. Like the private house building sector, housing associations have faced similar funding pressures which have resulted in them commissioning fewer new affordable homes.



### Housing Minister visits Mitchells Brook

Persimmon Homes West Midlands welcomed Housing Minister, John Healey when he visited Mitchells Brook Birmingham to see how Persimmon has been able to begin construction of more homes, which had previously been put on hold due to the difficult housing market, through the Government's Kickstart scheme.

Mitchells Brook Cape Hill West Midlands, which is within the West Midlands Pathfinder Area, has received the Kickstart funding, which means that affordable houses and properties allocated under the HomeBuy Direct scheme will be available, a welcome boost to help more first time buyers and key workers gain access to the housing market and achieve their first step on to the property ladder.

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## Building new communities continued

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### Supporting the Government's 'Kickstart' programme

In the April 2009 Budget, the Chancellor announced Kickstart a £400m package of funding to help stimulate housing developments which were unable to proceed due to poor housing market conditions. The package included investment support for infrastructure and initial development costs complemented by support for new affordable housing for rent and sale in mixed tenure housing developments.

The Kickstart programme set a target of unlocking 22,000 homes, of which 8,000 are in affordable housing schemes. In the first round of funding, Persimmon was awarded more than £2.4m across five schemes in the South East and West Midlands, unlocking 274 homes. We have subsequently been awarded an additional £50m to restart work on mothballed housing projects. This will support the construction of up to 3,000 new homes many of which will be purchased by first time buyers.

### Integrating with local communities

We aim to build in a way that has a positive impact on the community, whilst in keeping with both the natural and built environment of the surrounding area. We work closely with local planning authorities to enable this to happen.

When we start any new project, we recognise that the local community will have views about our proposals and plans. We listen to their opinions, as they can provide us with new insight on very important issues. Our consultation can take many forms, from holding public meetings to explain what we are trying to achieve, to meeting with local interested parties or

non-governmental organisations to discuss any particular issues or concerns they have. In most cases, we are able to factor these issues into our plans and work on an acceptable solution for everyone involved.

Our business structure, with 25 operating businesses each staffed with local people gives us a very real perspective on the needs and issues of the communities in which we build. Our businesses are run by employees who care about their own communities. Our architects know the area and what housing vernacular is necessary for the development site and our sites are staffed by sales negotiators who know the local area.

The successful integration of our developments into the local community and surroundings is difficult to measure. We survey our customers about their new homes, for the positive impact that our developments have made. We know that the local community does benefit in a number of ways, perhaps most directly from the conversion of derelict land into attractive new developments with open space and landscaped areas.

### Achieving a balanced approach to land use

In 2009, 63% of the homes we built were on previously developed or 'brownfield' land. This compares to 62% in 2008 and exceeds the government's target of 60%.

We do not aim for a fixed percentage of brownfield development, favouring a flexible approach based on demand. This ensures we maintain a balanced portfolio of land that does not limit development style and meets the needs of local communities.

Brownfield sites often require extensive decontamination and remediation. This can often have a very positive impact on the local environment. However, we recognise that changing the landscape, even if the site in question is virtually derelict, can be very emotive for local residents. We are sensitive to their opinions and take them into account in our development plans.



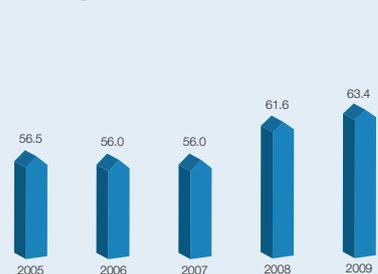
Our competition winners.

### Promoting awareness within the community

At Weald Park in Brentwood, Essex, Charles Church teamed up with leading interior design agency Intu Interiors and the 2nd Pilgrim Hatch Brownie Group to highlight the importance of maintaining the local wildlife and plant life.

The 2nd Pilgrim Hatch Brownie Group was invited to paint pictures of trees and explain why they felt trees were important. All the children received a 'Save your Carbon Footprint' silver birch seedling to plant in their own gardens.

Percentage of homes built on brownfield land



Building new communities continued



**Using SUDs and creating habitats at Rugeley Power Station**

This 31 hectare site has been developed on land previously occupied by Rugeley A Power Station in Staffordshire.

In developing the site a SUDS based land and surface water drainage system was designed. This included a carrier ditch system, storage ponds and the opening up of an existing culvert to form part of the carrier ditch system.

The site was ecologically sensitive and was home to bats, badgers, barn owls, ground nesting and tree nesting birds all of which needed protection. Other considerations included the relocation of reptiles and amphibians, as well as the preservation of existing heath land to encourage and promote biodiversity.

Approximately 20 hectares of the site forms a 600 unit residential development by Persimmon, with the remaining 11 hectares being used for landscaped public open space. This area will be extensively planted with trees and shrubs, and will incorporate public footpaths and cycleways.

**Using Sustainable Urban Drainage solutions**

Traditional drainage is designed to rapidly move rainwater from the point at which it has fallen to a discharge point, either a watercourse or soakaway.

However surface water run-off can increase the risk of flooding downstream or divert rainfall from soaking into the ground depleting ground water.

On many of the sites we develop there may be a small risk of flooding, particularly on land that has been previously developed, as surface water run-off may have been affected by the previous building and land use.

Any potential risk of flooding is identified as soon as the planning process begins. In most instances, we are able to implement measures to reduce the risk of surface water run-off.

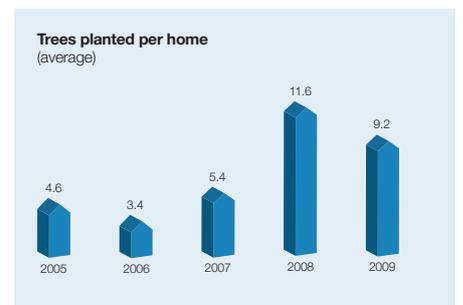
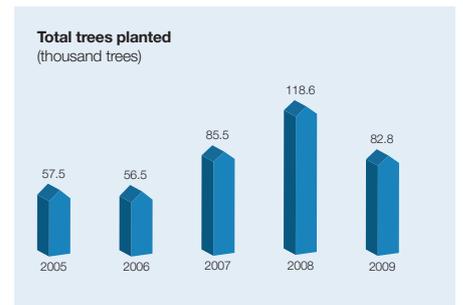
These measures include water attenuation such as holding tanks and balancing ponds in open space areas, which prevents surface water run-off flooding local streams and rivers.

Increasingly we are introducing Sustainable Urban Drainage systems (SUDs) into our developments. The SUDS approach to drainage incorporates a wide variety of techniques and as a result, there is no single drainage solution for a site. In most cases, a combination of techniques are required, such as attenuation soakaways and storage ponds.

**Greening our developments**

We assess the number of trees planted on our developments as a guide to the contribution we have made to providing a green landscaped environment for our residents and as a contribution to offsetting our greenhouse gas emissions.

In 2009, we planted 82,770 trees which equates to 9.2 trees per house built. Whilst this is fewer than in 2008 when planting was particularly high due to a large programme of site landscaping, it is above our long term average for trees planted per home built.



## Building new communities continued

### Investing in community infrastructure

We are making a significant investment in the community by incorporating additional amenities for the broader community, such as educational facilities or parks.

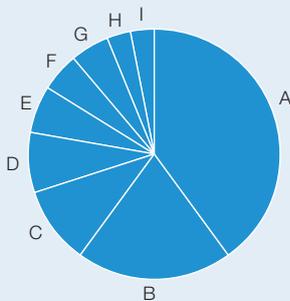
In 2009, Persimmon invested over £17m in providing new community facilities (2008: £13.8m). Almost two-thirds of the money we invested was used to support affordable housing projects and education, such as the creation of new schools.

We also provided over £1m to support the development of public transport infrastructure and its use, giving our residents the opportunity to use public transport rather than their cars.

We also support local public transport initiatives for example, in South Yorkshire we gave our customers free 'travelmaster' passes (worth £250 per household) providing them with free public transport for a year and access to travel planning facilities.

#### Community investment through local planning agreements

- A Affordable housing – 40%
- B Education – 20%
- C Highways – 10%
- D Public open space – 8%
- E Public transport – 6%
- F Other – 5%
- G Community buildings – 5%
- H Commuted sums – 3%
- I Leisure facilities – 3%



### Supporting the local community and charities

We are committed to developing good relationships with communities through the support of local initiatives and charitable projects.

In 2009, charitable donations of £79,500 were made by the Group. In 2009, Persimmon supported Dreams Come True ([www.dctc.org.uk](http://www.dctc.org.uk)), an organisation which helps seriously ill children to realise their dreams.

Throughout the year our employees have undertaken a number of local fundraising activities and have raised more than £14,000. In addition, the Group enables its employees to support many charitable initiatives with their time.

As part of Persimmons' long standing national campaign 'Building to Beat Cancer' the Company has pledged its support throughout 2010 for Leukaemia and Lymphoma Research, a charity which specialises in research into blood cancers. Throughout the ongoing ten year Building to Beat Cancer campaign, Persimmon and its employees have raised in excess of £1m.

**“Leukaemia & Lymphoma Research is delighted that one of the country’s leading homebuilders has chosen us as its leading charity. With Persimmon’s employees helping to make our 50th anniversary our best fundraising year yet, we will be able to fund more life-saving research into better treatments and cures for blood cancers including leukaemia, lymphoma and myeloma.”**

**Kate White, Fundraising Director of Leukaemia & Lymphoma Research**



### ‘Grow Your Own’ initiative launched

In November 2009, Persimmon launched its Grow Your Own initiative aimed at school children (aged 5–9 years) to promote healthy eating and interest in outdoor activities.

Each of our operating businesses nominated local schools to take part in a competition for school children to grow their own vegetables. The competition takes place within school time and children are asked to keep a diary log and take photos of their progress as part of the school curriculum. The schools taking part are also encouraged to visit a dedicated website to gain essential information. We are also encouraging ‘gardeners’ to post regular blogs to report progress on their crops.

**“Growing vegetables and becoming more sustainable both inside and outside the home has certainly become a topic that many of us are now more aware of and I’m pleased that we too are endorsing this subject area for the benefit of our next generation of home buyers.”**

**Mike Farley, Group Chief Executive**

# INVESTING IN OUR PEOPLE

## Managing people



### 2009 achievements

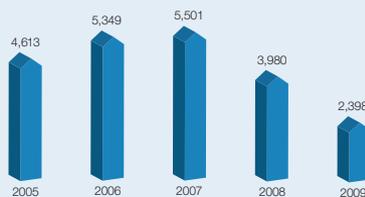
- 1 ▶ Dave Bullock site manager won the NHBC Pride in the Job Supreme Award.
- 2 ▶ 40% reduction in RIDDOR reportable accidents.
- 3 ▶ Launched FIRST Management training scheme for school leavers.
- 4 ▶ Increased the total training days provided to our employees.
- 5 ▶ Doubled the health and safety training provided per employee.

**“We acknowledge that our success depends heavily on the skills and commitment of those we employ. We have a responsibility to promote and develop the skills of people within our business and those wanting a career in the housebuilding industry.**

**The health and safety of our employees and those that come into contact with our activities is of utmost importance. We have a responsibility to provide a safe environment for our employees, sub-contractors, customers and other people visiting our sites and premises.”**

Persimmon Sustainability Policy  
February 2010

No. of employees



### Our workforce

Persimmon employed an average of 2,398 employees in 2009 (2008: 3,980). The housing market has remained challenging and our sales of new homes have fallen from its peak in 2007 by 46%. Regrettably this has been reflected in the size of our workforce. However, we are optimistic that as production picks up, we will begin to grow our workforce to support new sites as they begin construction over the coming months.

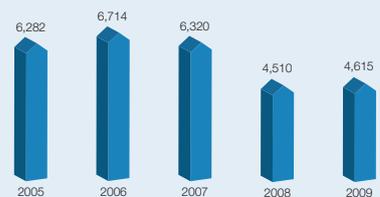
Our Group HR Department has worked hard over the past year to offer support, guidance and advice to employees and has taken a practical and sympathetic approach to managing redundancies.

We have tried exceptionally hard to retain skills and knowledge within the organisation. Nearly one third of our employees have more than 10 years service with Persimmon and 9% have been with us for over 20 years. Maintaining this core of expertise will be vital for our future growth.

Within our total workforce, women now represent 35% (down from 39% in 2008). Of our directors, 18 are women (21 in 2008) representing 12.5% of our senior management team.

A formal succession model has been developed to help our Managing Directors structure their businesses with fewer staff and plan for the anticipated upturn in production and their recruitment needs. Our range of policies continues to influence the way we work and includes those relating to equal opportunities, diversity, whistle-blowing, harassment and flexible working.

Training days



### Promoting skills

We have continued to successfully deliver our training and development programmes during 2009 to provide the relevant skills to help our employees build the business.

In particular we have invested in training for our sales teams on the new Consumer Code for Homebuyers and our sales and marketing campaigns. There has also been a significant amount of employment law training to help our regional management teams deal with changes in the workforce during the year.

In 2009, the number of training days across the business was 4,615 – a slight increase from 4,510 days in 2008 – which is extremely positive given we have a much smaller workforce than in previous years.



Margaret McMurdo, Sales advisor, winner of Homes for Scotland Award 2009.

## Managing people continued

We are proud to report that Dave Bullock site manager at Wynclyffe Gardens Cardiff has won the NHBC Pride in the Job Supreme award for the second year running. This is the highest accolade for a site manager in the housing industry.

In addition the Group's site managers won a further 29 Pride in the Job awards.

We continue to support the Construction Skills Certification Scheme (CSCS) and aim to meet the objectives and targets of the Major Home Builders Group 'Qualified Workforce Initiative'. We place particular emphasis on health and safety and the CSCS Card proves competency and trade skills, as well as a good level of health and safety training and awareness.

Persimmon has a good track record in developing opportunities for a broad cross section of trainees – through its overarching *Homing in on Opportunity* initiative.

In the summer of 2009, we announced our *FIRST Management Training Scheme*. This initiative is aimed at school leavers and young people to provide all round experience in both technical and site management roles. The scheme is a four year course providing training and 'on-the-job' experience for young people interested in a long term career in house building. Trainees work towards BTEC and NVQ qualifications during their training. We will continue this scheme during 2010.



Dave Bullock wins the NHBC's Pride in the Job Supreme Award 2009 for the second year running.

### LEAVING SCHOOL?

Want a career with real prospects, training and a salary?

FIRST Trainee Site Managers

Positions in Camberley, Cardiff, Exeter, Llanelli, Portishead, Redditch, Rochester, Salisbury, Shaftesbury

We're offering fantastic opportunities to learn all about site management at Persimmon Homes, one of the UK's largest and most successful house builders. We're passionate about developing talent through our structured trainee programme, including our brand new FIRST Management Training Scheme. As management trainees the scheme paves the way for you, the next generation of professionals, to really contribute to our future success.

READ ON TO MAKE SURE YOU DON'T MISS OUT!

ABOUT THE SCHEME

- 1 4 year programme working alongside an experienced Site Manager
- 2 Learning day-to-day duties e.g. ordering materials, organising and planning the build programme, liaising with contractors and understanding good health and safety practice.
- 3 Regular on-site training gradually taking on more responsibility and working towards the role of Assistant Site Manager.
- 4 1 day a week at College studying for a BTEC National Certificate, and later a BTEC HNC or HND.
- 5 A personal mentor for ongoing support through all your training.
- 6 Regular reviews and on-the-job assessment providing the opportunity to work towards an NVQ Level 3 in Construction Contracting Operations.

WHAT DO YOU NEED?

- 1 Bags of enthusiasm and a willingness to learn.
- 2 Minimum of 5 GCSEs Grade A-C or equivalent (including English Language and Mathematics).
- 3 Genuine interest and commitment in this exciting, dynamic industry.

WHAT'S IN IT FOR YOU?

- 1 Salary increases twice a year.
- 2 Plus additional salary increases with your exam success.
- 3 Nationally recognised qualifications.
- 4 Real prospects for a permanent Managerial role.

HOW TO APPLY

Select your chosen location by clicking on the button below to apply.

CAMBERLEY

CARDIFF

EXETER

LLANELLI

PORTISHEAD

REDDITCH

ROCHESTER

SALISBURY

SHAFTESBURY

Build a great future with the  
Persimmon FIRST Management Training Scheme

For more information on the Persimmon Group visit [www.persimmonjobs.com](http://www.persimmonjobs.com)

An equal opportunities employer

## Supporting local trades and skills

We have continued to support the York Minster Fund for the restoration of the Minster (<http://www.yorkminster.org/visiting/york-minster-revealed/>) and have made a 10 year commitment to train apprentices in the ancient crafts used to repair and conserve this historic building.

Each year Persimmon sponsors stonemason apprentices at York Minster to allow them to learn this highly skilled and specialist craft. In addition, we have sponsored the 'Persimmon workshop' – a dedicated area that provides apprentices space to learn new skills and do their work at the Minster stoneyard.

The workshop was opened by John White, Group Chairman of Persimmon Plc in December 2009.



John White, Group Chairman with stonemason Nico Zimmerman and apprentice Sam Chapman.

## Managing people continued



Our construction management team on a site inspection at Wyncliffe Gardens Cardiff.

### Prioritising health and safety

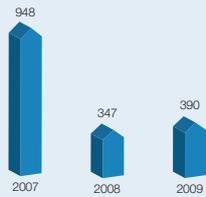
Health and safety is an important priority for Persimmon and we have successfully maintained a good record in relation to accidents over the year.

The Group health and safety policy and manuals provide the basis of our approach and we recognise that successful implementation of our policy can only be achieved with the full commitment and involvement of personnel from all levels across the business. We work hard to ensure that everyone in the organisation, including sub-contractors, understand their roles and responsibilities in managing the requirements of our policy to reduce the risk of accidents occurring as a result of our work activities.

Nigel Greenaway, South Division Chief Executive is the Group Director with responsibility for health and safety. He is supported by the Group Health and Safety Director and a team of 14 internal Regional Health and Safety Advisors.

The Group undertake full health and safety risk reviews based on our performance monitoring findings and each year we set general objectives and targets for our management teams and employees. Additional plans are put together by divisions and operating businesses that relate to specific areas within their operation that they are targeting for improvement.

No. of health and safety training days



In addition, this year we have also established divisional working groups to facilitate better and faster decision making and ensure that any issues identified are considered promptly by senior managers within the business.

During 2009, we also implemented a new management system audit process verified by an external third party, which complements the existing performance monitoring activities carried out by our internal team of health and safety advisors.

We have started using a 'Smart Pen' system which has been trialed in 2009 and which we plan to roll out across the business in 2010. The system allows inspectors to take photographs and write notes on site and then submit these directly to the head office via their mobile phone. The new system removes much of the administrative burden associated with inspection, increasing the speed with which issues can be dealt with which allows inspectors to focus on corrective actions rather than reporting issues.

### Promoting good health and safety practice

During 2009 we delivered 390 days of health and safety training to our employees and sub-contractors. This is a 12% increase on 2008. We are pleased that the training delivered per employee has increased significantly reflecting our commitment in this area.

Under the Construction Skills Certification Scheme, 98% of our site workforce has passed a test to demonstrate their knowledge of health and safety procedures and practices.

We undertake regular site inspections that enable the health and safety team to identify best practice, as well as non-conformities across construction, sales and customer care activities. Based on the results of these inspections operating businesses can achieve a Gold, Silver or Bronze Award depending on their level of compliance. To attain the Gold Award a company must achieve 90% compliance, Silver equates to 80% compliance and Bronze is 70%. We are pleased to report that in 2009 all operating businesses achieved a Silver Award or above, despite a tougher inspection regime being introduced.

Our Group Health and Safety Director has also been the chair for the Home Builders Federation Health and Safety Forum. Over the year the Forum has run a successful 'slips and trips campaign'. They have also worked with the utilities industry to look at promoting the safe management of work activities during the laying of electricity, gas, water and telecom services on new housing developments.

### Operating business Health & Safety compliance

	2005	2006	2007	2008	2009
Gold Award (90%+)	4	10	12	13	20
Silver Award (80%+)	30	25	24	18	5
Bronze Award (70%+)	0	0	0	0	0

## Managing people continued

### Reducing accidents

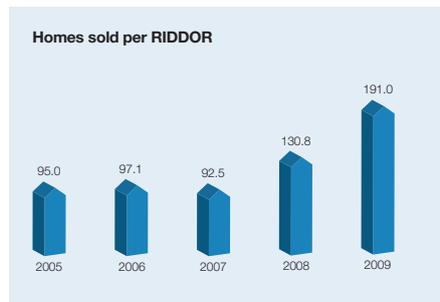
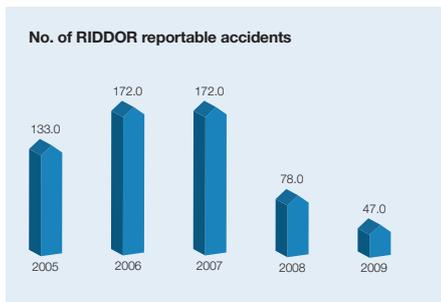
We are very pleased to report that there was a 40% reduction in the number of incidents reported under the UK Reporting of Incidents, Diseases and Dangerous Occurrences Regulations 1995 (RIDDORs). There were 47 RIDDORs in total (2008: 78 RIDDORs). This reduction is primarily attributable to increased training and diligence of our employees. We are particularly pleased to see that the number of major injuries has reduced from 28 to 16 this year.

The RIDDOR rate per 1,000 employees has also reduced from 9.1 to 5.8 in 2009. Another indication of our safer working environment is to look at our accident

statistics as a proportion of the homes we have sold. In 2009, we had one RIDDOR for every 191 homes sold, compared with one RIDDOR for every 131 homes sold in 2008, a 46% improvement.

We had no health and safety prosecutions last year. We continue to work closely with the Health and Safety Executive to ensure that we are aware of emerging best practice and to support broader initiatives across the industry. We had five enforcements issued by the Health and Safety Executive in 2009 as a result of issues identified during their regular site inspections. In each case, these were addressed promptly and procedures put in place to minimise their recurrence.

	2005	2006	2007	2008	2009
Prosecutions	0	0	1	0	0
Enforcement notices	4	7	0	2	5



### Training our senior managers in health and safety

In 2007, we provided training to all senior managers on their responsibilities as duty holders under the new Construction, Design and Management Regulations, Health and Safety legislation and the Corporate Manslaughter Act that came into force in April 2008.

To complement this we ran a follow up training session in 2009, for senior management. Feedback from attendees was extremely positive and ensured that the participants remained fully conversant with current and impending legislation.

Senior management seminars will continue during 2010 and will include presentations from our legal and insurance partners.

# MAINTAINING HIGH LEVELS OF CUSTOMER SERVICE

## Our customers



### 2009 achievements

- 1 ▶ Largest allocation of funds in the Government's shared equity scheme, HomeBuy Direct, to support sales to first time buyers and key workers.
- 2 ▶ Customer satisfaction at an all time high with 91% of customers saying they would recommend a Persimmon home to a friend.
- 3 ▶ Reviewed and relaunched Persimmon's customer charter – The Persimmon Pledge.

**“Choosing a home is one of the most important decisions that our customers will make, both emotionally and financially. We have a responsibility to help them make the right choice and provide the right level of service to make this as straightforward as possible”**

**Persimmon Sustainability Policy**  
February 2010

### Supporting first time buyers

HomeBuy Direct is a new Government sponsored shared equity scheme designed to help first time buyers and key workers into affordable home ownership. Buyers are offered an equity loan of up to 30% of the purchase price, co-funded by Government and Persimmon.

As a result of this scheme the Government hopes that it will make more affordable homes available to first time buyers who are currently unable to afford the larger deposits required to enter the market. It will provide a targeted boost to the housing market by stimulating more transactions and help to maintain the capacity of the housebuilding industry to increase production when market conditions improve.

The Homes and Communities Agency have allocated around £400m of HomeBuy Direct funding to over 10,000 homes. Persimmon has received the largest developers' allocation of HomeBuy Direct funding and as a result will be able to offer HomeBuy Direct on 2,700 homes on 194 developments throughout England.

We also continually review the affordability of the private homes we sell. This is a key issue for many home buyers. We have looked closely at all our specifications and build costs to make sure we are able to provide homes that are good quality and well appointed, whilst being within the financial grasp of our customers. We also provide a number of sales incentives to make the buying process more straightforward and accessible, such as part exchange.

### Committed to the Persimmon Pledge

During 2009, we revised our customer charter – the Persimmon Pledge – to ensure that our customers are very clear about the level of service that they can expect from us when they buy a new home. The Pledge sets out a series of promises we make to our customers before they move, as well as the level of customer service they can expect after they move in.



### Persimmon's 1000th HomeBuy Direct sale

Dylan Parry and his partner Julie Morris from Gloucester had almost given up all hope of affording their own home until they heard about the support they could get from HomeBuy Direct and Persimmon. In December 2009, they became Persimmon's 1,000th HomeBuy Direct customer to reserve their Persimmon home at The Marketplace development in Gloucester.

**Home sales by price band\* %**  
Year ended 31 December 2009



From the very start of the sales process, our trained sales teams are able to offer customers guidance and practical assistance throughout the buying process. Our advisors provide regular updates to customers on the progress of their new homes and are trained to respond quickly and efficiently to any queries they may have.

Each customer gets a 'Masterfile' which provides a step by step guide to the buying process, from reserving a property to

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## Our customers continued

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moving in checklists. It also offers guidance on health and safety issues in the home and on-site.

When the sale is completed, our responsibility to our customers does not end. A few days after moving in a member of our construction team will visit to ensure that each customer is happy with their home and to resolve any issues that may have arisen. Customers can also access a dedicated customer care helpline and a 24-hour emergency helpline in the event of a failure of any service supply, such as electricity, gas or water.

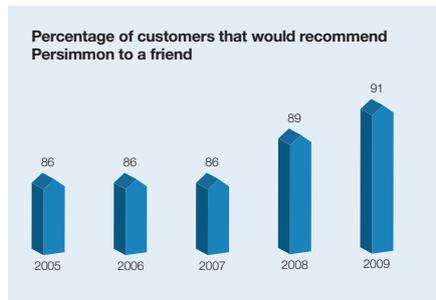
### Ensuring good quality homes

We undertake regular site inspections during the building process to monitor the quality of the homes we build. This is supported by building regulation monitoring undertaken by the local authority or the National House Building Council (NHBC). We also provide free of charge a 10 year building warranty on each home from a new home warranty provider, such as the NHBC.

Before completion, a comprehensive inspection is carried out, which includes checks on foundations, plumbing, wiring, blockwork and cavity walls. In addition, we have a sub-contractor control list that sets the criteria for certain quality standards, which each sub-contractor agrees to meet. These standards provide another check within the quality control process.

Prior to each home being released to the customer, it is inspected by our sales and construction staff and often a local office director. A member of our team then provides a new home demonstration of the fixtures, systems and appliances. We provide a Quality Assured Certificate for insertion into the customer's Masterfile on the day of completion.

We provide our customers with a one month inspection form which allows them to inform us of any problems they may be having. On receiving this information we will endeavour to complete all agreed items within 28 days. Our after sales



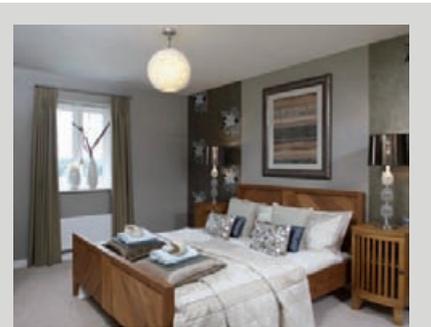
performance is monitored on a regular basis by our divisional and operating business management teams to make sure our high standards are maintained.

### Customer satisfaction

We monitor customer satisfaction through internal new home satisfaction surveys and through external customer satisfaction surveys undertaken by the NHBC. Results are reported to and reviewed by management teams within our operating businesses on a weekly basis and to Group management on a monthly basis. This allows us to identify particular trends and issues upon which we can focus our efforts.

Our internal customer satisfaction questionnaire asks customers 10 questions to determine how satisfied they are with their new home. These include questions relating to the sales process, the quality of information provided to them, the ease with which problems could be reported, the speed of response and their overall satisfaction.

Our recent surveys have shown a good level of customer satisfaction with our homes and our service. In 2009, 91% of our customers said they would 'recommend Persimmon to a friend'. (2008: 89%). The economic downturn has sharpened our focus even more on making sure customers who have invested in a new Persimmon home have the best experience they can with us. Consequently, we are extremely pleased with these figures which reflect on the quality of our homes and the service provided by our employees.



Showhome at Herons View Daventry Northamptonshire.

### Responding to the needs of our customers

At Herons View in Daventry, we are committed to creating a more sustainable community whilst at the same time meeting the demands of today's customers. As a responsible housebuilder, we have a duty to protect the environment and help our buyers to live more sustainable lives and our homes at Heron's View are one of the steps in fulfilling that promise.

This development has included the environment at the forefront of the home's design. Each house at Herons View includes efficient and eco-friendly features such as energy efficient heating systems, water recycling and solar panels to ensure that the homes help to reduce our buyers' carbon footprint.

This approach has extended to the interior as well, where the lounge furniture is reclaimed teak and some fabrics are recycled.

Claire Lambert, head of sales at Persimmon Homes Midlands, said: "Our show home at Heron's View demonstrates the ways in which people can create a stylish home, whilst being eco-conscious."

# GOING FORWARD...

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## Managing sustainability

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**“We seek to achieve open, honest relationships with our key stakeholder groups, including our employees, and will provide appropriate information about our management and performance on a regular basis or when requested. We will engage with our stakeholders on an ongoing basis and take into account emerging issues on sustainability when we review our approach in this area.”**

**Persimmon Sustainability Policy**  
February 2010

### Robust governance

The Persimmon Corporate Responsibility Committee (CR Committee) was established in 2002. The CR Committee is chaired by Neil Davidson CBE, a non-executive Director.

The Committee is made up of members from across the business ensuring the right mix of operational and functional experience. The Committee provides strategic guidance for the Group, co-ordinates Groupwide initiatives and reviews performance on a quarterly basis.

The CR Committee is part of the Group's overall governance arrangements and is a sub-committee of the Risk Committee, which reports to the Board. In this way we can ensure a close link between sustainability and the risk management process across the Group. Further details on how risk is managed at Persimmon, including those relating to sustainability can be found in our 2009 Annual Report and Accounts.

The terms of reference of the CR Committee can be found on our website.

## Embedding sustainability into our business

There are three substantive ways in which we integrate sustainability into our thinking:

1

We have a clear strategy and management structure supported by a range of sustainability policies, all of which can be found on our website. Our operating businesses are made aware of our strategy and their obligation to follow the policy and procedure in each area.

The responsibility for sustainability issues is cascaded through the Group via the Commercial Directors of each division to the Managing Directors of each operating business. This ensures that sustainability is on the formal agenda of each operating business and that best practice across the Group can be shared effectively. This is supported by information sharing and best practice training on specific issues. As an example, during 2009 our Division Commercial Directors delivered a detailed presentation on the Code for Sustainable Homes to technical directors of local operating businesses and to the CR Committee.

2

Persimmon has a semi-autonomous business structure with 25 local operating businesses. These businesses are staffed by employees who really understand the sustainability issues that are relevant in their region. They are the experts and we provide them with the guidelines and resources they need to meet our sustainability commitments. Each operating business is regularly fielding questions from their stakeholders, such as local planning authorities, on aspects of sustainability associated with the developments they are building.

3

Each operating business is required to provide detailed data relating to their sustainability performance. We collect data on 23 performance indicators from our operating businesses which is reviewed by the CR Committee on a quarterly basis. Any issues relating to performance are then fed back to individual operating businesses by a Divisional Commercial Director.

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## Managing sustainability continued

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### Our stakeholders

Our key stakeholders were identified through an internal consultation process based upon the following criteria:

- |   |
|---|
| ▶ Impact on business operation and performance.                       |
| ▶ Potential to enhance or damage reputation.                          |
| ▶ Persimmon's ability to influence stakeholders policy or procedures. |
| ▶ Interest in our Corporate Responsibility or Sustainability issues.  |

Whilst we focus our efforts in terms of sustainability on these stakeholders, we appreciate communication and feedback from all stakeholders, as this provides valuable guidance to our business.

We participate annually in the Carbon Disclosure Project (CDP) and our submission can be viewed via the CDP website at [www.cdproject.net](http://www.cdproject.net).

The NextGeneration benchmarking initiative placed Persimmon 8th (out of the top 25 housebuilders in the UK) based on public reporting on sustainability issues.

We are happy to discuss our sustainability strategy and how we manage these issues with our stakeholders and welcome further engagement.

### 2010 objectives

Our strategy is to build a resilient company that ensures that our business is sustainable and returns to growth after the recent downturn. Sustainability has a clear role to play and we will continue to work hard to embed our sustainability strategy into our business. Where opportunities arise, we will introduce innovative products and building techniques to improve the homes we build.

We have made good progress during 2009 and we will continue to improve our performance and focus on issues that can make a tangible difference to our business performance, while meeting the needs of our principal stakeholders.

#### We have set seven objectives to be achieved by December 2010:

- |  |
|--|
| ▶ Reduce the amount of waste generated per home sold by 5%.  |
| ▶ Identify and implement a system for monitoring on site energy use.   |
| ▶ Produce information for our customers on sustainability issues and efficient living.   |
| ▶ Increase the utilisation of our best practice sustainability library.  |
| ▶ Review our 'Homing in on Opportunity' initiative to promote skills and encourage young people to consider housebuilding as a long term career. |
| ▶ Undertake further senior management training on sustainability issues.   |
| ▶ Create a 'sustainable products' list to facilitate the use of alternative products and materials.  |

### Feedback

We value your feedback on our approach to sustainability and would appreciate your comments on this report. You can email us at [feedback@persimmonhomes.com](mailto:feedback@persimmonhomes.com) or write to:

**Neil Francis**  
Company Secretary  
Persimmon Plc  
Persimmon House  
Fulford, York  
YO19 4FE

## Sustainability data table

	Units	2005	2006	2007	2008	2009
Housing completions	No.	12,636	16,701	15,905	10,202	<b>8,976</b>
<b>Environment</b>						
Carbon emissions	Thousand tonnes	–	–	14.6	11.9	<b>10.3</b>
Homes built to Code for Sustainable Homes and EcoHomes standards	No.	–	–	1,539	1,653	<b>1,720</b>
Average SAP rating		93.5	94.5	90.6*	86.0*	<b>82.0</b>
Appliances installed with an energy efficiency rating of A or B	%	92%	99%	99%	100%	<b>100%</b>
Total waste generated	Thousand tonnes	128.1	150.7	150.5	91.0	<b>54.9</b>
Waste generated per dwelling constructed	Tonnes	10.8	9.0	9.5	8.9	<b>6.1</b>
Waste recycled	%	67%	64%	68%	70%	<b>75%</b>
Homes built on brownfield land	No.	7,141	9,352	8,906	6,282	<b>5,695</b>
Percentage of homes built on brownfield land	%	57%	56%	56%	62%	<b>63%</b>
Trees planted (including structural planting)	No.	57,496	56,518	85,472	118,616	<b>82,770</b>
Trees planted per home	No.	4.6	3.4	5.4	11.6	<b>9.2</b>
Environmental prosecutions	No.	0	0	2	0	<b>1</b>
<b>Health and Safety</b>						
No. of RIDDOR reportable incidents	No.	133	172	172	78	<b>47</b>
RIDDOR's per 1,000 employees	No.	10.3	12.9	12.2	9.1	<b>5.8</b>
Operating businesses achieving over 90% operational conformance against site inspection (Gold Award)	%	12%	39%	33%	42%	<b>56%</b>
Operating businesses achieving 80–89% operational conformance against site inspection (Silver Award)	%	88%	61%	67%	58%	<b>44%</b>
Health & Safety Executive prosecutions	No.	0	0	1	0	<b>0</b>
Health & Safety Executive enforcement notices	No.	4	7	0	2	<b>5</b>
<b>Working at Persimmon</b>						
Total employees	No.	4,613	5,349	5,501	3,980	<b>2,398</b>
Female employees	No.	1,302	1,511	1,705	1,552	<b>839</b>
Percentage of female employees	%	28%	28%	31%	39%	<b>35%</b>
Female directors	No.	21	26	24	21	<b>18</b>
Training days provided	No.	6,282	6,714	6,320	4,510	<b>4,615</b>
Apprentices	No.	393	324	267	56	<b>27</b>
Apprentices as a percentage of total workforce	%	9%	6%	5%	2.4%	<b>1.1%</b>
Apprentices completing NVQs	No.	53	116	94	96	<b>11</b>
<b>Customers</b>						
Customers who would recommend Persimmon to a friend	%	86%	86%	86%	89%	<b>91%</b>
<b>Persimmon in the community</b>						
Social affordable homes completed	No.	1,039	1,402	1,967	2,389	<b>1,622</b>
Social and affordable homes as a percentage of total homes completed	%	8.29%	8.4%	12.4%	23.4%	<b>18%</b>
Charitable donations made by the Group	£	136,000	251,000	210,000	89,000	<b>79,500</b>
Employee charitable fundraising	£	–	326,000	340,000	23,500	<b>14,000</b>

Data marked – was not recorded at that time

\* In 2007 the SAP rating scale changed from 1–120 to 1–100