



PERSIMMON

Sustainability Report 2015

2015 Summary	02
Key Achievements	03
Managing Sustainability	04-05
Our Customers	06
Customer Care	07
Making Homes More Accessible for our Customers	08-09
Quality Homes	10
Our Environment	11
Persimmon and Climate Change	12
Building Energy Efficient Homes	13
Space4	14
Managing Energy Use	15
Waste and Recycling	16
Promoting Sustainable Living	17
Sourcing of Materials	18
Our People	19
Apprentices and Trainees	20
Combat to Construction	21
Training and Development	22
Health and Safety	23-24
Our Community	25
Community Consultations	26
Supporting Community and Charitable Initiatives	27
Persimmon Objectives 2016	28
Governance	29
Key Sustainability Risks	30
Sustainability in Action – Case Studies	
The Oaks, Selly Oak, Birmingham	31
Cupar North, North Fife	32
Marina Park, Northampton	33
Young Achievers of the Year Awards	34
Community Champions	35-37
KPIs	38

Chief Executive's Introduction

“I believe that the understanding and application of our sustainability strategy across the business has improved.”



Jeff Fairburn, Group Chief Executive

I am pleased to introduce our 2015 Sustainability Report. During the year our business performed strongly, increasing the number of homes sold by 8% to over 14,500. I believe that the understanding and application of our sustainability strategy across the business has also improved. This alignment of social, environmental and economic performance is fundamental to our approach and we are, from the Board down, giving these issues more time and attention within our business.

The housebuilding sector is attracting ever greater scrutiny from different stakeholders and for different reasons. This is something we welcome as only by creating a shared understanding of the challenges we face will we be able to identify and implement effective and sustainable solutions that benefit not just our industry but the country.

Perhaps the most important challenge, and the one that has featured prominently in the media over recent months is the role that Persimmon and others in the housebuilding sector have to play in addressing the UK's housing shortage. A concerted and coordinated effort is required by the Government and all stakeholders to deal with the underlying causes as well as the symptoms. This has begun with various Government led initiatives and we are supporting these, in particular with a strong focus on building family homes and intensive skills training.

One of the major challenges we have to overcome is ensuring that we have the right people in place to deliver our strategy. Later in this report you will find details of how we are using a range of initiatives to attract, retain and motivate our employees. I joined Persimmon as a surveyor and I believe passionately that Persimmon should reward ability, contribution and endeavour. This meritocratic approach, which gives everyone the opportunity to realise their ambitions, is central to how we operate and an important differentiator from our competitors in the race for talent.

Finally, I want to draw your attention to two very significant additions to this year's report. The first is a section outlining both our strategy and specific actions in relation to Climate Change, an issue that affects us all. The second is the inclusion of objectives under each of the five themes that inform our sustainability strategy. In future years we will explain the progress we have made against these objectives in order to show stakeholders how effective we have been in implementing our sustainability strategy.

Jeff Fairburn, Group Chief Executive

March 2016

2015 Summary

In 2015 we had another strong year in terms of increased build volume and at the same time we continued to add to our landbank to safeguard our long-term growth prospects for customers, employees, shareholders and other stakeholders alike. The demand for housing has meant continued challenging market conditions with shortages of skilled labour and materials well documented. Persimmon has continued to address these issues directly with its own investment, resource and long-term vision in a number of ways.

You will see in this year's report that we continue to train many young people; creating new jobs and securing our own labour force and to improve customer service. You will also see that we have launched two new initiatives; firstly to re-source parts of our supply chain more sustainably and secondly to create a meaningful and lasting bond with the communities we are involved with, through our innovative Community Champions scheme. In addition we conducted a detailed study of our energy usage throughout the company. All of these efforts are creating a stronger, more sustainable, business. This year we have expanded our reporting on climate change and we are publishing our Corporate Responsibility objectives which we work towards for the benefit of all of our stakeholders.

Persimmon sold 14,572 new homes last year which represents a material contribution to the industry's efforts to address the UK's housing shortage. Our strategy to focus on the volume market means that the Board is acutely aware of the housing need in the UK and we are proud that:

- A significant majority of the houses we build are family homes
- The majority of our house sales are to first-time buyers
- Our average selling price of £199,127 is accessible to many buyers
- We focus on larger schemes, creating new communities and improving infrastructure
- We begin to build as soon as implementable planning consents are received
- We built 53% of our homes on brownfield land, improving the local environment
- About 39% of our homes incorporate modern methods of construction, which increases efficiency and the speed of build

Our direct employee numbers have again increased, rising by 21% and representing 735 new jobs created. We are currently training around 580 apprentices, trainees and graduates. Our Combat to Construction scheme is now in its third year and has trained 125 armed service leavers to date at two national centres. We are delighted with the success of this scheme which provides ex-forces personnel with excellent training towards a qualification while being paid and places them into a guaranteed new permanent job. We are now extending the scheme and introducing "Up-Skill to Construction" which will provide trainees from other industry sectors the opportunity to learn new skills to allow them to earn more in new employment with Persimmon.

A new initiative during the year was to improve supply sourcing of various products and most notably bricks. Over the last three years we have replaced approximately 50% of our clay brick usage with more sustainable concrete bricks. Concrete bricks are easier to manufacture, are of a very high quality and the manufacturing process requires less energy. This strategic change helps to secure the supplies we need to meet our ambitious build programmes, supports our climate change work and allows us to concentrate on delivering the highest quality, sustainable, product and service to customers.

We also continue to use insulated timber panel systems manufactured at our Space4 facility in Birmingham. Overall 5,671 homes representing 39% of our total sales in 2015 were built using Space4 technology. Wood is effectively carbon neutral and structural timber also benefits from being organic and a naturally renewable building material. These Space4 units can then be assembled on-site in a significantly shorter build time, therefore using less energy, machinery and labour, whilst allowing a simultaneous external and internal finish process.

Our Community Champions scheme is creating a tangible bond with the communities where Persimmon is building. Each Persimmon operating business is invited to award up to £2,000 per month to two local good causes to match existing community fundraising. We have 28 companies spread around the country and the excitement generated amongst staff and communities alike has produced wonderful engagement and an important boost to local fundraising. We have also established The Persimmon Charitable Foundation which we plan to launch later in 2016.

The outlook for 2016 is positive. Our overall objective is to build high quality family homes, to please our customers and to improve the communities where we are working. This will benefit all stakeholders. We continue to be focused on the UK's housing need and we have recently increased the number of Persimmon operating businesses to provide additional capacity and maintain efficiency. Our way of working is for our Corporate Responsibility principles to be embedded within the operating businesses and to form part of "business as usual" so that all staff are responsible for it, every day. We look forward to continued improvement in the coming year.

Chief Executive's Introduction	01
2015 Summary	02
Key Achievements	03
Managing Sustainability	04-05
Our Customers	06
Customer Care	07
Making Homes More Accessible for our Customers	08-09
Quality Homes	10
Our Environment	11
Persimmon and Climate Change	12
Building Energy Efficient Homes	13
Space4	14
Managing Energy Use	15
Waste and Recycling	16
Promoting Sustainable Living	17
Sourcing of Materials	18
Our People	19
Apprentices and Trainees	20
Combat to Construction	21
Training and Development	22
Health and Safety	23-24
Our Community	25
Community Consultations	26
Supporting Community and Charitable Initiatives	27
Persimmon Objectives 2016	28
Governance	29
Key Sustainability Risks	30
Sustainability in Action – Case Studies	
The Oaks, Selly Oak, Birmingham	31
Cupar North, North Fife	32
Marina Park, Northampton	33
Young Achievers of the Year Awards	34
Community Champions	35-37
KPIs	38

Key Achievements

All of our achievements during 2015 benefit the local communities we serve through our focus on our customers, our environment, our people 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

- For the second successive year Persimmon was included as a member of the Dow Jones Sustainability Europe Index.

Our Customers

- We sold a total of 14,572 homes in 2015 (2014: 13,509)
- Since April 2013 we have assisted over 14,000 customers to purchase their first home under the Help to Buy scheme with 6,110 sales in 2015 alone

Our Environment

- Our disclosure score in the annual Carbon Disclosure Project (CDP) increased to 79 (2014: 65)
- Waste per home built decreased to 6.3 tonnes per home (2014: 6.4 tonnes) and the level of waste recycled also increased to 92% (2014: 90%)
- All the homes we built were assessed for energy efficiency against the Standard Assessment Procedure (SAP) with an average rating of 83
- We completed 5,671 Persimmon homes using Space4 timber frame technology in 2015 representing 39% of our new home sales (2014: 5,085)
- 1,338 of our homes sold included a form of renewable energy technology (2014: 1,215)
- The average CO₂ g/km emissions of our motor fleet reduced by 3% from 109 g/km in 2014 to 106 g/km in 2015

Our People

- We increased our employees by over a fifth to 4,188 people (2014: 3,453)
- The amount of training provided to our workforce increased significantly to over 10,200 days (2014: 7,911)
- We increased the number of apprentices and trainees employed by 32% to 580 (2014: 439)
- We maintained Equality Accreditation in Employment and Customer Service at the silver level by Innovatec AS

Health and Safety

- HSE Notifications of Contravention down significantly by 38%
- 8,217 health and safety training days delivered (2014: 6,045)
- 50% increase in Group Health & Safety department staffing levels
- Production and use of DVDs as health & safety training aids

Our Communities

- Total investment in new community facilities, including schools and public open spaces of £47 million in 2015 (2014: £48 million)
- We donated £516,000 to community groups and charities through the Community Champions initiative and a further £77,000 to other charitable causes. Through a combination of Group donations and employee fundraising we raised over £672,000 for charitable purposes in 2015 (2014: £171,000)
- We built 2,147 homes for Housing Associations (2014: 2,256)

Chief Executive's Introduction	01
2015 Summary	02
Key Achievements	03
Managing Sustainability	04-05
Our Customers	06
Customer Care	07
Making Homes More Accessible for our Customers	08-09
Quality Homes	10
Our Environment	11
Persimmon and Climate Change	12
Building Energy Efficient Homes	13
Space4	14
Managing Energy Use	15
Waste and Recycling	16
Promoting Sustainable Living	17
Sourcing of Materials	18
Our People	19
Apprentices and Trainees	20
Combat to Construction	21
Training and Development	22
Health and Safety	23-24
Our Community	25
Community Consultations	26
Supporting Community and Charitable Initiatives	27
Persimmon Objectives 2016	28
Governance	29
Key Sustainability Risks	30
Sustainability in Action – Case Studies	
The Oaks, Selly Oak, Birmingham	31
Cupar North, North Fife	32
Marina Park, Northampton	33
Young Achievers of the Year Awards	34
Community Champions	35-37
KPIs	38

Managing Sustainability

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

We identified five key themes which we use to explain and implement our approach, both internally and externally. These reflect our focus at both strategic and operational levels which are described below:

Our Communities: contributing to the establishment and maintenance of thriving and sustainable communities through direct investment, design and collaboration with stakeholders



Our Customers: identifying and meeting our customers' needs and expectations of value, quality and service.



Our Environment: minimising our environmental footprint throughout our supply chain by improving operating practices and creating new homes that are environmentally efficient through the life cycle of design, construction and occupancy.



Our People: promoting a supportive culture that enables our employees to develop their talents and skills over long and fulfilling careers.



Health and safety: protecting our employees, subcontractors, customers and stakeholders affected by our activities.



The diagram below shows how the Group manages Sustainability:

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.

Chief Executive's Introduction	01
2015 Summary	02
Key Achievements	03
Managing Sustainability	04-05
Our Customers	06
Customer Care	07
Making Homes More Accessible for our Customers	08-09
Quality Homes	10
Our Environment	11
Persimmon and Climate Change	12
Building Energy Efficient Homes	13
Space4	14
Managing Energy Use	15
Waste and Recycling	16
Promoting Sustainable Living	17
Sourcing of Materials	18
Our People	19
Apprentices and Trainees	20
Combat to Construction	21
Training and Development	22
Health and Safety	23-24
Our Community	25
Community Consultations	26
Supporting Community and Charitable Initiatives	27
Persimmon Objectives 2016	28
Governance	29
Key Sustainability Risks	30
Sustainability in Action – Case Studies	
The Oaks, Selly Oak, Birmingham	31
Cupar North, North Fife	32
Marina Park, Northampton	33
Young Achievers of the Year Awards	34
Community Champions	35-37
KPIs	38

Our Customers

Over recent years politicians of all parties, together with economists and other experts, have identified the UK's housing shortage as a major risk to the country's economic growth and prosperity. Potentially, it also increases inequality in our society as the gulf between home owners and those not yet on the property ladder grows ever wider.

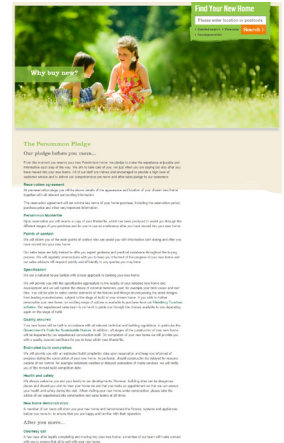
The shortfall between demand and supply, both across the UK and in certain regions, has become so serious that the Government is now committed to introducing a Housing and Planning Act that will aim to address this "housing deficit" through a variety of measures. In addition and as part of its overall housing strategy, the recent spending review committed over £20 billion to support its ambitions to deliver one million new homes and to double the number of first time buyers.

What is Persimmon's role in addressing these challenges? At the heart of our business strategy is a commitment to provide accessible and affordable homes to customers throughout the UK.

A major factor in the company's success over recent years has been its geographical scale, with an average of around 380 sites across the UK in 2015. This, in conjunction with our wide-range of property types, ensures that Persimmon is able to meet the needs of its diverse customer base from those seeking their first home, more space or to downsize. In this way we contribute to the creation of vibrant and sustainable communities, where the quality of life is enhanced by the contributions we make to local infrastructure. Such communities provide both direct benefits to the local and national economy – through job creation and purchase of raw materials – and, more importantly, satisfy the basic human need for shelter, security and well being that a growing population desires.

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 increase our efforts in this area to improve our current levels of performance.

We are aware that buying a home is the largest single investment the vast majority of people ever make. We seek to reward the trust that our customers place in us by ensuring the homes we build meet their expectations and that the purchasing process is as straight-forward as possible. We have, from its outset, been strong supporters of the Government's Help to Buy scheme and have long standing relationships with social landlords to provide low cost social housing.



The Persimmon Pledge.

Chief Executive's Introduction	01
2015 Summary	02
Key Achievements	03
Managing Sustainability	04-05
Our Customers	06
Customer Care	07
Making Homes More Accessible for our Customers	08-09
Quality Homes	10
Our Environment	11
Persimmon and Climate Change	12
Building Energy Efficient Homes	13
Space4	14
Managing Energy Use	15
Waste and Recycling	16
Promoting Sustainable Living	17
Sourcing of Materials	18
Our People	19
Apprentices and Trainees	20
Combat to Construction	21
Training and Development	22
Health and Safety	23-24
Our Community	25
Community Consultations	26
Supporting Community and Charitable Initiatives	27
Persimmon Objectives 2016	28
Governance	29
Key Sustainability Risks	30
Sustainability in Action – Case Studies	
The Oaks, Selly Oak, Birmingham	31
Cupar North, North Fife	32
Marina Park, Northampton	33
Young Achievers of the Year Awards	34
Community Champions	35-37
KPIs	38

Customer Care



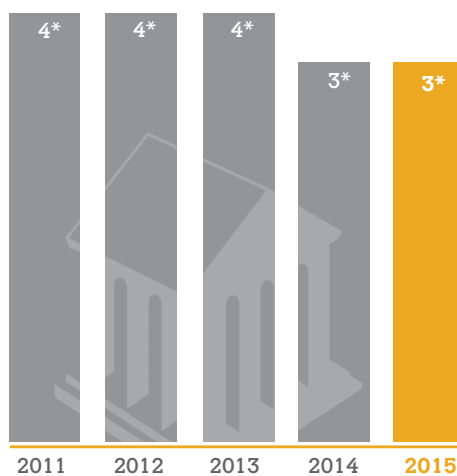
In 2015 our rating scores in the NHBC/HBF National New Homes Customer Satisfaction Survey improved but not sufficiently for us to attain 4* status. Over the past twelve months we have invested substantial resources into improving customer satisfaction. In particular, we have implemented a seven point check that covers the entire build process and involves the different members of our team responsible for specific aspects of it. This ensures that any potential issues are identified and rectified at an early stage. Data from each site is collated centrally and aggregated to establish whether any issues are isolated matters or indicative of a wider trend. If the latter, remedial action is taken to address the problems at source.

In addition, a number of other initiatives are in place to ensure that we meet our customers' expectations:

- We aligned elements of individual employees' remuneration more closely with customer satisfaction
- We carried out a detailed review of how we communicate with our customers from the start to the completion of a customer's house purchase. As a result we have changed the tone, content and timing of letters to customers and their representatives. In this way, and by introducing a degree of standardisation across our many developments, we hope to enhance our customers' experience of the purchasing process from their initial reservation, through the construction phase to the point when they move into their new homes
- We hold regular clinics at each development where customers can discuss their specific requirements for their new homes with our employees

These efforts are beginning to bear fruit across the Group as a number of our businesses are now regularly exceeding the 3* customer satisfaction ratings. Our challenge going forward is to ensure these improved elements of good practice become the norm and, in that way, our overall performance across the Group improves.

HBF/NHBC Star Rating



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.

Chief Executive's Introduction	01
2015 Summary	02
Key Achievements	03
Managing Sustainability	04-05
Our Customers	06
Customer Care	07
Making Homes More Accessible for our Customers	08-09
Quality Homes	10
Our Environment	11
Persimmon and Climate Change	12
Building Energy Efficient Homes	13
Space4	14
Managing Energy Use	15
Waste and Recycling	16
Promoting Sustainable Living	17
Sourcing of Materials	18
Our People	19
Apprentices and Trainees	20
Combat to Construction	21
Training and Development	22
Health and Safety	23-24
Our Community	25
Community Consultations	26
Supporting Community and Charitable Initiatives	27
Persimmon Objectives 2016	28
Governance	29
Key Sustainability Risks	30
Sustainability in Action – Case Studies	
The Oaks, Selly Oak, Birmingham	31
Cupar North, North Fife	32
Marina Park, Northampton	33
Young Achievers of the Year Awards	34
Community Champions	35-37
KPIs	38

Making Homes More Accessible for our Customers

Persimmon's objective is to provide its customers with homes that are affordable, conveniently located and meet their specific requirements in terms of design and specification. This geographical reach across the UK – with around 380 sites of varying size – has been a major factor in our success. The insights we have developed over many years, the result of working closely with our customers, local authorities, social housing providers and other stakeholders, have given us a unique appreciation of the housing needs of our customers whether in cities, towns or smaller communities.



Children and staff from Tardebigge Church of England First School visiting the Pointers Way development in Redditch to discover what building a new home entails.

On each of our developments, and working in close collaboration with the planning authorities, we examine how best we can meet the needs of local communities. This analysis shapes the mix of properties we build on site and the implications this will have for local infrastructure – including transport links, educational provision and commercial and social amenities. A major advantage for us and benefit for our customers is that our employees are based locally to our sites, meaning that they have an intimate knowledge of the locality, its economy, demographics and geography to ensure our developments are well planned to meet the needs of the community.

The average selling price of the 14,572 homes we sold in 2015 was £199,127, with over 30% of our new homes being sold for £150,000 or less.

While interest rates have remained at historically low levels since 2009 access to mortgage finance remains difficult. Tougher lending criteria, including the requirement for a significant cash deposit, have placed a further obstacle in the way of those who seek to gain access to the first rung of the property ladder and those who are keen to move home. 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, or agreed to sell, over 14,000 homes in England under the Help to Buy scheme (HTB), the Government shared equity loan scheme that makes mortgages more readily available to those who do not have a large deposit. Our HTB sales are around 15% of the total Government HTB sales.*

In 2015 we sold 6,110 homes with a Help to Buy shared equity loan at an average price of £204,754, with 74% of the homes bought by first time buyers.

We also participate in Help to Buy 2, the Government mortgage indemnity scheme launched in 2012 that helps homebuyers with only a 5% deposit to obtain a 95% mortgage.



Backed by HM Government

Helping Hand

Helping Hand is Persimmon's shared equity scheme which enables us 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 150 customers mainly in Wales and Scotland where Help to Buy was not available throughout 2015.



* <https://www.gov.uk/government/statistical-data-sets/help-to-buy-equity-loan-scheme-monthly-statistics#latest-table>

Part Exchange & Support for the Armed Services

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. It allows regular service personnel who want to buy their first home to obtain loans of up to 50% of their salary. The loan is interest free and repayable through monthly salary contributions over a 10-year period. It can also be used in conjunction with the Government's Help to Buy Scheme.

Part
Exchange



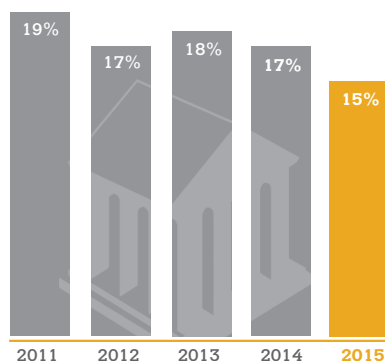
Sgt Nicholas Brett with his family and the then Minister of State for Defence, Anna Soubry, in their new Persimmon home purchased through the Forces Help to Buy Scheme

Social Housing

Persimmon has worked closely with Housing Associations and Registered Social Landlords (RSLs) for many years to build affordable housing for both rental and shared equity sales. In 2015 we provided 2,147 homes to these organisations representing around 15% of our total new homes sold.

Our specialist company Westbury Housing Investments has developed a 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.

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



Chief Executive's Introduction	01
2015 Summary	02
Key Achievements	03
Managing Sustainability	04-05
Our Customers	06
Customer Care	07
Making Homes More Accessible for our Customers	08-09
Quality Homes	10
Our Environment	11
Persimmon and Climate Change	12
Building Energy Efficient Homes	13
Space4	14
Managing Energy Use	15
Waste and Recycling	16
Promoting Sustainable Living	17
Sourcing of Materials	18
Our People	19
Apprentices and Trainees	20
Combat to Construction	21
Training and Development	22
Health and Safety	23-24
Our Community	25
Community Consultations	26
Supporting Community and Charitable Initiatives	27
Persimmon Objectives 2016	28
Governance	29
Key Sustainability Risks	30
Sustainability in Action – Case Studies	
The Oaks, Selly Oak, Birmingham	31
Cupar North, North Fife	32
Marina Park, Northampton	33
Young Achievers of the Year Awards	34
Community Champions	35-37
KPIs	38

Quality Homes

Our standard construction processes and quality checks ensure that all our sites follow the same approach, enabling us to deliver good quality homes consistently.

Over a third of the homes we build use our Space4 technology (see page 14), which delivers substantial benefits to homeowners as well as the environment.

We are also pleased to report that four of our site managers were recognised in the NHBC's Pride in the Job awards in 2015 with three winning Quality Awards and one receiving a regional Seal of Excellence.



We provide our customers with a quality assured certificate and a National House Building Council (NHBC) or similar 10-year insurance warranty for their new home. All of the products and appliances installed in our new homes come with an appropriate manufacturer's warranty.

Our Customers — Objectives

In 2016 we will:	Actions and Measurement
Continue to improve the quality of customer interaction during and following the home-buying process	Improve quality and frequency of customer communication
Continue to work with lending stakeholders to ensure customers know about, understand and can access mortgage products best suited to them	Ensure customers understand the financing options available to them
Ensure we satisfy and exceed customer expectations throughout the home buying process	Improve our customer experience and satisfaction rating

Chief Executive's Introduction	01
2015 Summary	02
Key Achievements	03
Managing Sustainability	04-05
Our Customers	06
Customer Care	07
Making Homes More Accessible for our Customers	08-09
Quality Homes	10
Our Environment	11
Persimmon and Climate Change	12
Building Energy Efficient Homes	13
Space4	14
Managing Energy Use	15
Waste and Recycling	16
Promoting Sustainable Living	17
Sourcing of Materials	18
Our People	19
Apprentices and Trainees	20
Combat to Construction	21
Training and Development	22
Health and Safety	23-24
Our Community	25
Community Consultations	26
Supporting Community and Charitable Initiatives	27
Persimmon Objectives 2016	28
Governance	29
Key Sustainability Risks	30
Sustainability in Action – Case Studies	
The Oaks, Selly Oak, Birmingham	31
Cupar North, North Fife	32
Marina Park, Northampton	33
Young Achievers of the Year Awards	34
Community Champions	35-37
KPIs	38

Our Environment

We look to identify the major environmental issues that could affect our business in the short, medium and long term and what we need to do to manage them effectively.

We focus on how to minimise our environmental footprint both in terms of direct and indirect impacts. The former relates to our business operations and embraces issues such as energy consumption and greenhouse gas emissions, consumption of raw materials and waste produced. As part of this approach we review how particular developments may impact the local environment, including the landscape and biodiversity. This allows us to minimise or eliminate any adverse effects at the design stage.

When considering indirect impacts our focus is very much on our product – the homes we build. We look at how, over their life time, our homes deliver a level of performance that meets the needs of customers without compromising our commitment to safeguarding the environment. Improvements in design, materials used and building techniques all have an important role in ensuring that the homes we build are more sustainable – in particular more energy efficient – than older housing stock. We aim to be proactive in adopting innovative approaches and technological advances throughout our supply chain. In this way, we deliver a win-win for both customers, who benefit from lower utility bills, and the environment, which benefits from reduced greenhouse gas emissions and water consumption.

Please see pages 12 to 18 to learn how we support these aims.

Chief Executive's Introduction	01
2015 Summary	02
Key Achievements	03
Managing Sustainability	04-05
Our Customers	06
Customer Care	07
Making Homes More Accessible for our Customers	08-09
Quality Homes	10
Our Environment	11
Persimmon and Climate Change	12
Building Energy Efficient Homes	13
Space4	14
Managing Energy Use	15
Waste and Recycling	16
Promoting Sustainable Living	17
Sourcing of Materials	18
Our People	19
Apprentices and Trainees	20
Combat to Construction	21
Training and Development	22
Health and Safety	23-24
Our Community	25
Community Consultations	26
Supporting Community and Charitable Initiatives	27
Persimmon Objectives 2016	28
Governance	29
Key Sustainability Risks	30
Sustainability in Action – Case Studies	
The Oaks, Selly Oak, Birmingham	31
Cupar North, North Fife	32
Marina Park, Northampton	33
Young Achievers of the Year Awards	34
Community Champions	35-37
KPIs	38

Persimmon and Climate Change

Persimmon's approach to addressing the challenges presented by climate change is incorporated within, and a central element of, the Group's sustainability strategy to read more please go to pages 04 & 05. Corporate responsibility and sustainability is reported on at every Board meeting and performance is monitored using KPIs to read more please go to page 29. This senior level of involvement ensures that our senior management communicate the importance of sustainability to all of our employees.

Sustainability and climate change risks are identified and managed as part of the ordinary course of business within our operating businesses, and oversight is provided by the Corporate Responsibility Committee. The Committee is chaired by a Non-Executive Director and meets three times a year, reporting after each meeting to the Risk Committee and the Board.

Significant medium and long term sustainability risks that could impact on the future of the business are discussed as part of the Board's annual strategy meeting. These are considered in the context of the Group's overall risk assessment process. They are also considered in the context of business development, in particular in Persimmon's Space4 timber frame business, which we believe aids our efforts to mitigate climate change.

Climate change risks and opportunities – both current and in the future – are assessed carefully by the land and planning teams at individual site level. This work is incorporated into the design for each scheme. We explain below the nature of the mitigation and climate change prevention measures we implement at all stages of the build cycle.

We aim to build quality family homes that meet the diverse needs of our customer base throughout the UK. The recognition of the risks that climate change creates is addressed throughout the business process from buying land, designing a scheme, obtaining permissions and completing construction. Planning permissions and building regulations cover much of the design and build stage and our systems ensure compliance. We design homes which provide customers with a quality product that incorporate features which reduce environmental impacts contributing to climate change.

A combination of planning requirements and building regulations cover the landscaping, tree planting and scheme design, such as sustainable drainage systems, as well as details such as insulation levels, energy and water use minimisation features within homes. We also offer customers the option of incorporating alternative energy sources, such as solar panels, into their homes. Taken together these features mean that our homes have an average SAP* energy rating of 83 compared to the overall average for all UK homes of 59. This ensures a higher level of energy efficiency and lower greenhouse gas emissions, as well as resulting in lower bills for our customers.



One of Persimmon's advantages in reducing environmental impacts during the build process comes particularly from its integrated manufacture and supply of insulated timber frame units. Timber framed houses are quicker and easier to erect on site than those built using traditional building methods and reduces energy and water use on site. The accurate panel fit reduces waste and simplifies the internal finishing stage providing high quality and improved energy efficiency for the customer.

Another area where we are minimising our emissions and improving environmental performance is through our increasing use of concrete bricks. These concrete bricks are excellent quality, require less energy than clay bricks to manufacture and are easier to source in the volumes we require.

We collate data on energy use and carbon emissions and the level of waste sent to landfill for each operating business and our target is to reduce each of these, on a per home built basis, each year. In accordance with the regulations relating to the Energy Saving Opportunities Scheme (ESOS), we asked an independent third party to undertake a detailed analysis of our energy use, embracing both Scope 1 covering our direct emissions and Scope 2 indirect emissions from the consumption of electricity across the entire Group. We have implemented new procedures to capture data from our business systems to accurately record our energy use. This has enabled us to collate data on our use of red diesel on our construction sites which is used to power construction vehicles and generators prior to mains supplies becoming available. This data has shown that red diesel accounts for over 60% of our energy use and has led to the formulation of business targets to reduce its use.

* The Standard Assessment Procedure (SAP) is the methodology used by the Government to assess and compare the energy and environmental performance of dwellings. Its purpose is to provide accurate and reliable assessments of dwelling energy performances that are needed to underpin energy and environmental policy initiatives. The higher the SAP rating, on a scale of 1 to 100, the lower the running costs and the more efficient the building.

Chief Executive's Introduction	01
2015 Summary	02
Key Achievements	03
Managing Sustainability	04-05
Our Customers	06
Customer Care	07
Making Homes More Accessible for our Customers	08-09
Quality Homes	10
Our Environment	11
Persimmon and Climate Change	12
Building Energy Efficient Homes	13
Space4	14
Managing Energy Use	15
Waste and Recycling	16
Promoting Sustainable Living	17
Sourcing of Materials	18
Our People	19
Apprentices and Trainees	20
Combat to Construction	21
Training and Development	22
Health and Safety	23-24
Our Community	25
Community Consultations	26
Supporting Community and Charitable Initiatives	27
Persimmon Objectives 2016	28
Governance	29
Key Sustainability Risks	30
Sustainability in Action – Case Studies	
The Oaks, Selly Oak, Birmingham	31
Cupar North, North Fife	32
Marina Park, Northampton	33
Young Achievers of the Year Awards	34
Community Champions	35-37
KPIs	38

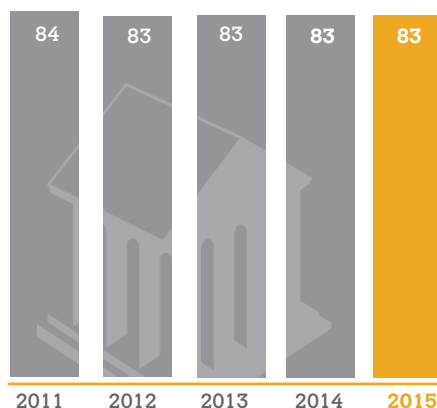
Building Energy Efficient Homes

In addition to our efforts to maintain a high SAP rating for all our homes we adhere, where appropriate, to other external standards. In 2015, we built 3,663 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 a quarter of our total home sales. Of those assessed against CfSH 23% achieved Code 3 or above. We built 574 Code 4 homes during 2015 (2014: 295).

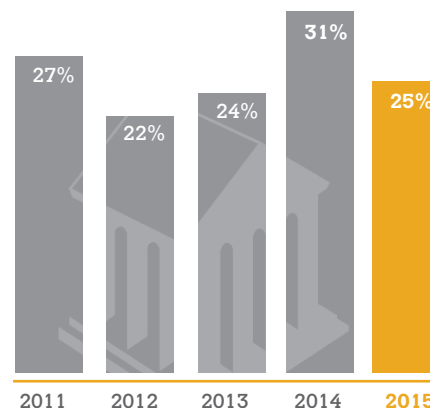


The Government has recently ceased the use of EcoHomes and CfSH standards relying instead upon the improvement in building regulation standards. We expect this will show future improvements in the energy and environmental efficiency of our new homes as measured by the Standard Assessment Procedure (SAP). Consequently, our future reports will focus on our SAP performance and no longer provide information on our performance in relation to EcoHomes and CfSH homes.

New Home Energy Efficiency (Standard Assessment Procedure (SAP) rating scale out of 100)



Homes built to Code for Sustainable Homes or EcoHomes standard



Chief Executive's Introduction	01
2015 Summary	02
Key Achievements	03
Managing Sustainability	04-05
Our Customers	06
Customer Care	07
Making Homes More Accessible for our Customers	08-09
Quality Homes	10
Our Environment	11
Persimmon and Climate Change	12
Building Energy Efficient Homes	13
Space4	14
Managing Energy Use	15
Waste and Recycling	16
Promoting Sustainable Living	17
Sourcing of Materials	18
Our People	19
Apprentices and Trainees	20
Combat to Construction	21
Training and Development	22
Health and Safety	23-24
Our Community	25
Community Consultations	26
Supporting Community and Charitable Initiatives	27
Persimmon Objectives 2016	28
Governance	29
Key Sustainability Risks	30
Sustainability in Action – Case Studies	
The Oaks, Selly Oak, Birmingham	31
Cupar North, North Fife	32
Marina Park, Northampton	33
Young Achievers of the Year Awards	34
Community Champions	35-37
KPIs	38

Space4

Persimmon's strategy to improve the environmental performance of our homes is founded on the premise that they should be sustainable by virtue of their efficient design and construction; our Fabric First approach. An important part of our approach is our Space4 technology, which is leading the way in delivering sustainable homes.

Using an insulated timber frame panel system, Space4 has supplied nearly 39,000 homes since it was established in 2001 and 5,671 homes in 2015 alone (around 39% of our total new home sales). Space4 is the largest off-site manufacturer of timber frame housing in the UK and we are investigating how we can increase capacity further. Although the timber frame market has grown substantially, accounting for around a quarter of new housing in the UK (1998: 8%), the UK's use of this technique lags significantly behind other parts of the world.

Developers such as Persimmon have a valuable role to play in promoting timber frame as a competitive and innovative building technique, with the potential to meet many of the UK's future building needs.

Wood is effectively carbon neutral, with structural timber benefiting from the lowest embodied CO₂ of any building material. Structural timber also benefits from being the only organic, naturally renewable building material, whilst minimising energy consumption during the manufacture process.

By using timber frame, Persimmon benefits from a flexible building material that is not only simple to erect, but also produces low on-site wastage and reduced overall construction times.

Andrew Carpenter, Chief Executive, Structural Timber Association

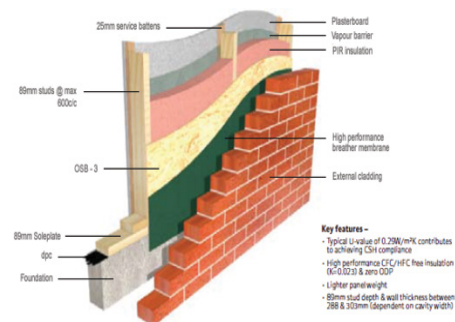
More widespread adoption of off-site manufacturing timber frame housing could provide extensive benefits for the UK, both in terms of improved environmental performance and as a means of bridging the gap between the demand and supply for new homes.

Benefits for Persimmon include consistent build quality and a more streamlined construction process. Customers benefit by owning a home built to the highest standards and which is energy efficient. Our manufacturing centre in Birmingham uses the latest Computer Aided Design (CAD) and Computer Aided Manufacture (CAM) technology, with the capability of producing a new timber frame for a home every hour. CAD allows us to convert house designs into our systems within two days. Our investment in this technology means that we are well placed to incorporate future changes in legislative requirements for enhanced insulation, swiftly and accurately.

A major advantage of off-site manufacturing is that site assembly takes significantly less time than to build a home of traditional brick and block construction. This is partly because of the lower level of labour needed, which is particularly helpful 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 and having the frame and roof in place quickly provides safe and dry working conditions for our tradespeople while they are completing the homes. An additional advantage is that timber frame housing uses a lower level of heavy machinery during its construction. Given this is an area that accounts for the majority of our energy consumption reduced demand for this type of equipment will be an important contributor to reducing our greenhouse gas emissions.

The environmental benefits are considerable, not least of which is the use of timber rather than other, less sustainable, building materials. All of Space4's timber is purchased from certified and sustainable forests.

A further major environmental benefit is that factory produced closed panel insulated systems such as those produced by Space4 are most able to guarantee air tightness, thermal and acoustic performance – all of which are highly valued by our customers. The lower energy costs are typically around half those of an average UK home. Finally, our sites where off-site manufactured timber frames are used have a 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.

Chief Executive's Introduction	01
2015 Summary	02
Key Achievements	03
Managing Sustainability	04-05
Our Customers	06
Customer Care	07
Making Homes More Accessible for our Customers	08-09
Quality Homes	10
Our Environment	11
Persimmon and Climate Change	12
Building Energy Efficient Homes	13
Space4	14
Managing Energy Use	15
Waste and Recycling	16
Promoting Sustainable Living	17
Sourcing of Materials	18
Our People	19
Apprentices and Trainees	20
Combat to Construction	21
Training and Development	22
Health and Safety	23-24
Our Community	25
Community Consultations	26
Supporting Community and Charitable Initiatives	27
Persimmon Objectives 2016	28
Governance	29
Key Sustainability Risks	30
Sustainability in Action – Case Studies	
The Oaks, Selly Oak, Birmingham	31
Cupar North, North Fife	32
Marina Park, Northampton	33
Young Achievers of the Year Awards	34
Community Champions	35-37
KPIs	38

Managing Energy Use

Persimmon's geographical spread across the UK, with an average of around 380 sites in operation in 2015, is part of its strategy to build resilience into its business model by having exposure to all markets in the UK. At the same time, this presents challenges in terms of collating energy consumption data that accurately captures the entirety of our operational footprint.

During 2015, in connection with the audit of our energy consumption undertaken as part of the ESOS initiative, we carried out a detailed analysis of our energy use and how the collation of data might be improved. An independent expert conducted an audit of the energy used by our buildings, building processes and transport to identify cost-effective energy saving measures. One of the benefits of this process was that we were able to identify additional information relating to the use of red diesel on our sites, which had not been previously captured. As a result of having access to more complete data we have been able to study our energy use in detail and formulate an action plan based on the results. This change is solely attributable to the incorporation of the red diesel data, which accounted for over 60% of our emissions. Persimmon's total operational carbon footprint in 2015 was 31,557 tonnes CO₂e and 2.17 tonnes of CO₂e per home sold – increases of 13% and 5% respectively on the prior year (2014: 27,851 tonnes CO₂e and 2.06 tonnes of CO₂e per home sold). The increases were primarily due to the increase in the number of homes built and improved data capture from our developments.

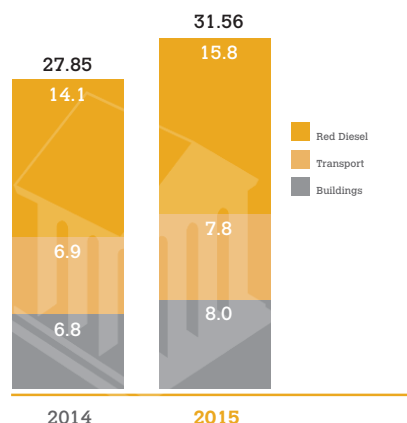
Energy used to heat and light our regional offices, our development sites and power our Space4 factory increased by 33% to 30.7 million kWh in 2015 (2014: 23.1 million kWh). Of this, 28% was electricity and 72% was gas.

Our company car fleet increased to 1,073 vehicles (2014: 962), reflecting our higher employee numbers and greater volume of business activity across the Group. Despite a 45% increase in the size of our fleet since 2011 fuel consumption over this period has risen by only 25% to 3 million litres (2011: 2.4 million litres) with carbon emissions increasing by the same percentage to 7.8 thousand tonnes of CO₂e (2011: 6.2 thousand tonnes).

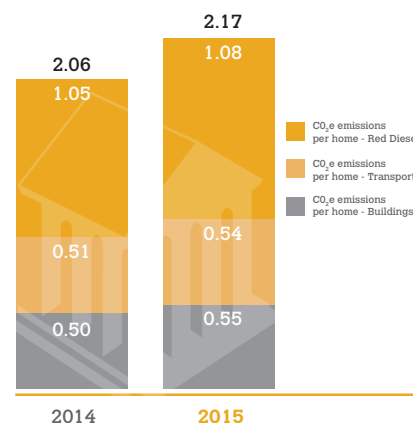
This demonstrates the success of our approach, which has been to offer staff more fuel efficient and lower emission cars which we commonly select from manufacturers "eco" model ranges. In addition, in 2015 we reduced the carbon dioxide emissions allowance from 160 g/km to 130 g/km for the majority of our drivers. As a result the average emissions per kilometre across our fleet has reduced from 116 g/km in 2013 to 106 g/km in 2015. Having made changes to the staff vehicle fleet we are now also considering a new policy for maintenance vehicles to improve efficiency and reduce emissions further.

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 CO₂e)



Carbon footprint per home sold (tonnes CO₂e)



Chief Executive's Introduction	01
2015 Summary	02
Key Achievements	03
Managing Sustainability	04-05
Our Customers	06
Customer Care	07
Making Homes More Accessible for our Customers	08-09
Quality Homes	10
Our Environment	11
Persimmon and Climate Change	12
Building Energy Efficient Homes	13
Space4	14
Managing Energy Use	15
Waste and Recycling	16
Promoting Sustainable Living	17
Sourcing of Materials	18
Our People	19
Apprentices and Trainees	20
Combat to Construction	21
Training and Development	22
Health and Safety	23-24
Our Community	25
Community Consultations	26
Supporting Community and Charitable Initiatives	27
Persimmon Objectives 2016	28
Governance	29
Key Sustainability Risks	30
Sustainability in Action – Case Studies	
The Oaks, Selly Oak, Birmingham	31
Cupar North, North Fife	32
Marina Park, Northampton	33
Young Achievers of the Year Awards	34
Community Champions	35-37
KPIs	38

Waste and Recycling

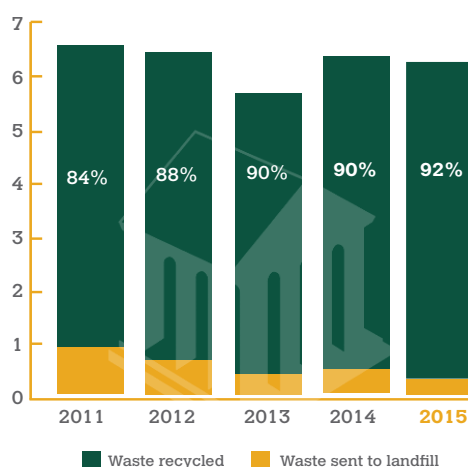
Construction waste remains one of the housing sector's most significant environmental impacts. Persimmon is committed to monitoring, managing and minimising waste from all our development sites.

In 2015 the average waste we generated per home sold was 6.26 tonnes (2014: 6.36 tonnes), a reduction of 1.6%. We attribute this reduction to a combination of factors but principally to a much greater focus on careful utilisation of materials. Over the last five years the level of waste per home sold has fallen by around 5%.

We also again increased the amount of waste we recycled; in 2011 we were recycling 84% but due to the measures we have put in place over the past 5 years, in 2015 we increased this to 92%. This equates to less than one standard skip of waste per home sent to landfill. We achieved this reduction through efficient construction techniques and design, logistics and stock control, the use of prefabricated or pre-sized materials and by minimising packaging.

Working closely with our waste contractors, as segregation of general construction waste at their recycling plants has become more efficient, we have been able to reduce the number of separate skips we require on site, freeing up space and decreasing the associated fuel and greenhouse gas impacts associated with their 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 (tonnes) per home sold and % recycled



Chief Executive's Introduction	01
2015 Summary	02
Key Achievements	03
Managing Sustainability	04-05
Our Customers	06
Customer Care	07
Making Homes More Accessible for our Customers	08-09
Quality Homes	10
Our Environment	11
Persimmon and Climate Change	12
Building Energy Efficient Homes	13
Space4	14
Managing Energy Use	15
Waste and Recycling	16
Promoting Sustainable Living	17
Sourcing of Materials	18
Our People	19
Apprentices and Trainees	20
Combat to Construction	21
Training and Development	22
Health and Safety	23-24
Our Community	25
Community Consultations	26
Supporting Community and Charitable Initiatives	27
Persimmon Objectives 2016	28
Governance	29
Key Sustainability Risks	30
Sustainability in Action – Case Studies	
The Oaks, Selly Oak, Birmingham	31
Cupar North, North Fife	32
Marina Park, Northampton	33
Young Achievers of the Year Awards	34
Community Champions	35-37
KPIs	38

Promoting Sustainable Living

In addition to the widespread use of timber frame construction techniques across our developments, our homes contain a range of energy efficient features to 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 for energy efficiency 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 2015 we built 1,338 homes that contained a form of renewable energy technology (2014: 1,215). Customers are given the opportunity to purchase solar panels and photovoltaics (PV), which are highly efficient and, in some cases, have helped our customers to make significant savings on their electricity bills.

We provide many of our homes with water butts, which store rainwater to be used for garden watering. Internally, the use of a range of water-saving measures – such as flow restrictor taps on 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. Building regulations stipulate a maximum of 125 litres per person per day for internal water use and we are now reducing this by nearly 30% to 90 litres per person.

Many of our homes have internal recycling facilities to help customers sort and recycle their waste.

We undertake a survey of the local area before starting work on any development to identify public transport options, cycle paths and pedestrian routes. This information is provided to all residents of the development and, in this way, we aim to support the Government's objective of promoting more sustainable travel options.

The design of all our developments aligns with the 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 also aligns with 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 an area; the latter focuses on crime prevention. By following both we aim to provide our customers with homes and communities that are safe, secure and sustainable both now and over the longer term.



A bird box at one of our developments

Chief Executive's Introduction	01
2015 Summary	02
Key Achievements	03
Managing Sustainability	04-05
Our Customers	06
Customer Care	07
Making Homes More Accessible for our Customers	08-09
Quality Homes	10
Our Environment	11
Persimmon and Climate Change	12
Building Energy Efficient Homes	13
Space4	14
Managing Energy Use	15
Waste and Recycling	16
Promoting Sustainable Living	17
Sourcing of Materials	18
Our People	19
Apprentices and Trainees	20
Combat to Construction	21
Training and Development	22
Health and Safety	23-24
Our Community	25
Community Consultations	26
Supporting Community and Charitable Initiatives	27
Persimmon Objectives 2016	28
Governance	29
Key Sustainability Risks	30
Sustainability in Action – Case Studies	
The Oaks, Selly Oak, Birmingham	31
Cupar North, North Fife	32
Marina Park, Northampton	33
Young Achievers of the Year Awards	34
Community Champions	35-37
KPIs	38

Sourcing of Materials

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 companies of different 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 we use and their suppliers. 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 goods, including recycled and reclaimed materials, wherever practicable. We regard our principal suppliers as strategic partners who are critical to delivering the quality of homes our customers expect.

Having longstanding and highly valued partnerships in place allows us to work with our suppliers 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 years of partnering with strategic manufacturers and suppliers, provides the solutions required of modern house building by delivering sustainable, shared, commercial benefits.

Nationally and locally we encourage suppliers to use products and materials with superior environmental performance. All of the timber used in our homes – including that used for the construction of timber frames – 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). This provides us with a clear chain of custody. In 2015 our use of soft wood timber increased 22% to 99,000 cubic metres (2014: 81,000 cubic metres) due to our increase in production.



Our Environment — Objectives

In 2016 we will:	Actions and Measurement
Continue to manage our carbon emissions effectively	Participate in the Carbon Disclosure Project and improve our performance and disclosure scores
Increase our use of sustainable concrete bricks as an alternative to clay bricks	Aim for a significant proportion of bricks we use to be concrete
Continue to investigate and invest in the use of off-site manufacturing	Increase the number of Space4 homes built where appropriate

Chief Executive's Introduction	01
2015 Summary	02
Key Achievements	03
Managing Sustainability	04-05
Our Customers	06
Customer Care	07
Making Homes More Accessible for our Customers	08-09
Quality Homes	10
Our Environment	11
Persimmon and Climate Change	12
Building Energy Efficient Homes	13
Space4	14
Managing Energy Use	15
Waste and Recycling	16
Promoting Sustainable Living	17
Sourcing of Materials	18
Our People	19
Apprentices and Trainees	20
Combat to Construction	21
Training and Development	22
Health and Safety	23-24
Our Community	25
Community Consultations	26
Supporting Community and Charitable Initiatives	27
Persimmon Objectives 2016	28
Governance	29
Key Sustainability Risks	30
Sustainability in Action – Case Studies	
The Oaks, Selly Oak, Birmingham	31
Cupar North, North Fife	32
Marina Park, Northampton	33
Young Achievers of the Year Awards	34
Community Champions	35-37
KPIs	38

Our People

A major theme of this report is how Persimmon is helping to address the “housing deficit”. Discussions around this topic focus on issues concerning the availability of land for development, securing planning permission and the ability of prospective purchasers to obtain mortgages. What is often overlooked is the human element – the importance of having sufficient people in place with the requisite skills and motivation at every stage of the process to ensure homes are built to the requisite standards and timescales. Currently, the construction sector is short of skilled labour and there is intense competition for these individuals. Overcoming this particular challenge is central to delivering on the Government’s plans to build sufficient homes for the UK’s growing population.



Persimmon acknowledges the importance of its employees to its growth over recent years. Without our committed and effective workforce we would have been unable to build the homes and deliver the quality of service our customers expect. We have invested substantially in recruitment and training to ensure that our people can meet the challenges confronting us. In 2015, Persimmon employed an average of 4,188 people, a significant increase on the previous year (2014: 3,453). Around 27% of the workforce was female (2014: 29%). The total number of days’ training provided to our workforce during the year increased by 29% with each worker receiving, on average, nearly 2.4 days of training.

At the same time Persimmon has greatly expanded its trade apprenticeship and trainee schemes, which offer valuable training experience, job security and great career prospects. During 2015 we employed 185 bricklaying and joinery apprentices and a further 9 apprentices working in office based roles. These were in addition to the 125 ex armed forces personnel who joined our “Combat to Construction” programme – see below. We also employed 261 graduates, trainee sales advisors and trainee technical staff.

In 2013 Persimmon signed up to the Armed Forces Corporate Covenant, a voluntary statement that acknowledges publicly our 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, who could help increase our pool of skilled workers. The result was our Combat to Construction scheme, 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.

In 2015 Persimmon retained the Accreditation in Employment and Customer Service at the silver level by Innovatec AS. This accreditation has been 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.

Chief Executive's Introduction	01
2015 Summary	02
Key Achievements	03
Managing Sustainability	04-05
Our Customers	06
Customer Care	07
Making Homes More Accessible for our Customers	08-09
Quality Homes	10
Our Environment	11
Persimmon and Climate Change	12
Building Energy Efficient Homes	13
Space4	14
Managing Energy Use	15
Waste and Recycling	16
Promoting Sustainable Living	17
Sourcing of Materials	18
Our People	19
Apprentices and Trainees	20
Combat to Construction	21
Training and Development	22
Health and Safety	23-24
Our Community	25
Community Consultations	26
Supporting Community and Charitable Initiatives	27
Persimmon Objectives 2016	28
Governance	29
Key Sustainability Risks	30
Sustainability in Action – Case Studies	
The Oaks, Selly Oak, Birmingham	31
Cupar North, North Fife	32
Marina Park, Northampton	33
Young Achievers of the Year Awards	34
Community Champions	35-37
KPIs	38

Apprentices and Trainees

In 2015 the number of apprentices and trainees employed at Persimmon rose to 580, an eight fold increase on the number employed in 2011. This reflects the importance we are placing on schemes to bring new people into the industry.

Trade apprentices — Our trade apprentices build up knowledge and skills in their relevant trade working alongside experienced tradespeople, gaining valuable on the job experience which ultimately leads towards NVQ qualifications. As well as training on site, apprentices attend their local college on day or block release to complete their training.

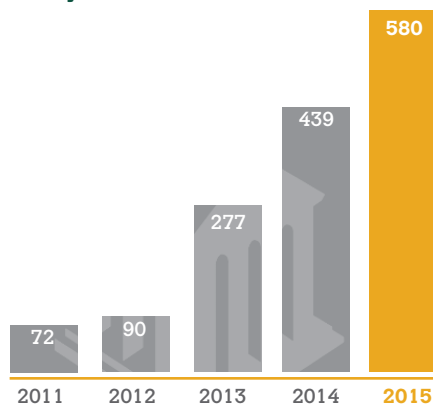
In 2015 we employed 185 trade apprentices throughout the year across all of our operating businesses in the UK. The vast majority were in bricklaying and carpentry/joinery with the remainder in technical or groundwork roles.

Trainee sales advisors — Sales Advisors are our primary interface with our customers. In 2015 we employed 92 trainee sales advisors (2014: 67). The training we provide equips them with the knowledge and technical skills to develop a successful career in residential housing sales. Those who complete the training programme have the opportunity to pursue a career with high earning potential and excellent promotion prospects.

Trainees — all of our businesses recruit trainees directly into an operational role 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 2015 we employed 169 people training in roles relating to design, planning, site management, quantity surveying and administrative support.

To see our Young Achievers of the Year case study please go to page 34.

Number of apprentices, trainees and graduate trainees employed each year



Chief Executive's Introduction	01
2015 Summary	02
Key Achievements	03
Managing Sustainability	04-05
Our Customers	06
Customer Care	07
Making Homes More Accessible for our Customers	08-09
Quality Homes	10
Our Environment	11
Persimmon and Climate Change	12
Building Energy Efficient Homes	13
Space4	14
Managing Energy Use	15
Waste and Recycling	16
Promoting Sustainable Living	17
Sourcing of Materials	18
Our People	19
Apprentices and Trainees	20
Combat to Construction	21
Training and Development	22
Health and Safety	23-24
Our Community	25
Community Consultations	26
Supporting Community and Charitable Initiatives	27
Persimmon Objectives 2016	28
Governance	29
Key Sustainability Risks	30
Sustainability in Action – Case Studies	
The Oaks, Selly Oak, Birmingham	31
Cupar North, North Fife	32
Marina Park, Northampton	33
Young Achievers of the Year Awards	34
Community Champions	35-37
KPIs	38

Combat to Construction

During 2015 our Combat to Construction (C2C) initiative has continued to expand both in terms of its scale and scope.

In its original format participants in C2C would undertake an 18 month training course with Nordic Focus Training Group, a long established and well-respected national training provider, in skills such as bricklaying. Completion of the course qualified them to NVQ Level 2 and guaranteed them a job with Persimmon. We now have 125 employees who have successfully graduated from the scheme and feedback on their contribution has been highly positive.



New recruits to the C2C programme.

Working with Persimmon on C2C has been a fantastic experience for us. It's a great example of collaboration, with Persimmon constantly helping us to refine the programme so that it aligns with their exact requirements. Feedback from the participants is overwhelmingly positive. The combination of professional training with the guarantee of employment for those who successfully complete the course makes this a really compelling proposition.

Kully Brooks, CEO Nordic Focus Training Group

The quality of C2C and the career opportunities Persimmon has to offer have been recognised by the Ministry of Defence, which has made Persimmon an approved employer, allowing us to advertise our vacancies on the Career Transition Partnership website. This has resulted in an upsurge in applications from service personnel, many of whom have found roles in different parts of our business.

Such has been the success of the C2C initiative that in addition to using Nordic's training facility at Darlington, courses are now being run in Woolwich to cover London and the South. During 2016 we have plans to expand the scheme into Wales and Scotland – areas where there has been considerable interest from former service personnel. Moreover, we are also preparing to create teams of C2C participants who will work on the installation of timber frames in our homes. The skills learned in the armed forces – co-operation, flexibility, precision and working to deadlines – are, we believe, ideally suited to this type of work.

Finally, we are extending the C2C concept beyond former service personnel, to providing retraining to other people wanting a career in housebuilding with the appropriate range of skills to enable them to change career. We hope that Up-Skill to Construction (U2C) will be as successful in providing rewarding jobs to those keen to pursue a career in the sector.

Chief Executive's Introduction	01
2015 Summary	02
Key Achievements	03
Managing Sustainability	04-05
Our Customers	06
Customer Care	07
Making Homes More Accessible for our Customers	08-09
Quality Homes	10
Our Environment	11
Persimmon and Climate Change	12
Building Energy Efficient Homes	13
Space4	14
Managing Energy Use	15
Waste and Recycling	16
Promoting Sustainable Living	17
Sourcing of Materials	18
Our People	19
Apprentices and Trainees	20
Combat to Construction	21
Training and Development	22
Health and Safety	23-24
Our Community	25
Community Consultations	26
Supporting Community and Charitable Initiatives	27
Persimmon Objectives 2016	28
Governance	29
Key Sustainability Risks	30
Sustainability in Action – Case Studies	
The Oaks, Selly Oak, Birmingham	31
Cupar North, North Fife	32
Marina Park, Northampton	33
Young Achievers of the Year Awards	34
Community Champions	35-37
KPIs	38

Training and Development

Investing in developing the skills and talents of our employees is vital to our continued success. Our programme covers technical, managerial and behavioural skills underpinned by a heavy focus on health & safety (for more information see Health & Safety Training on page 24). Training is tailored to the specific needs of each person. In 2015 the amount of training provided to our workforce increased to 10,212 days (2014: 7,911), which equates to 2.4 days per worker (2014: 2.3).

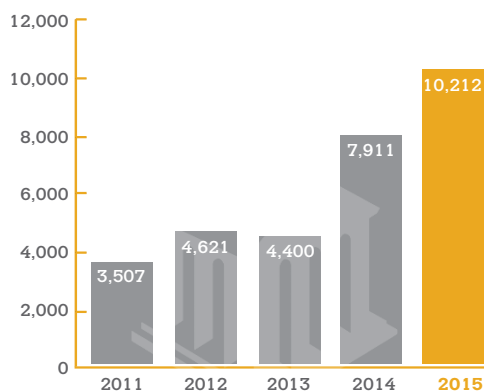
Training and development initiatives include:

- Accreditation programmes for site supervisors, managers and contracts managers leading to an NVQ level 3, 4 or 5
- Health & safety training for our workforce, whether office or site based, to allow them to carry out their duties safely
- Employees who regularly use IT applications receive full training and instruction
- 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
- Persimmon remains a strong supporter of the CITB's Qualifying the Workforce Initiative, endorsed by the HBF, 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. As part of obtaining a CSCS Card the individual must complete a mandatory health and safety test. In 2015 93% of the Group's site based workforce held a CSCS card (2014: 95%).

Our People — Objectives

In 2016 we will:	Actions and Measurement
Be the industry destination of choice for graduate, trainee and apprentice recruitment	Provide a range of attractive and inspiring career opportunities for young people
Consolidate our position as one of the UK's leading employers of ex-military personnel and adult up-skilling	Expand the Combat-to-Construction and Up-Skill-to-Construction programmes across our operations and solicit feedback from those finishing their training
Continue to demonstrate commitment to equality and diversity throughout the business	Maintain accreditation in Employment and Customer Service at least at Silver level

Training Days



Chief Executive's Introduction	01
2015 Summary	02
Key Achievements	03
Managing Sustainability	04-05
Our Customers	06
Customer Care	07
Making Homes More Accessible for our Customers	08-09
Quality Homes	10
Our Environment	11
Persimmon and Climate Change	12
Building Energy Efficient Homes	13
Space4	14
Managing Energy Use	15
Waste and Recycling	16
Promoting Sustainable Living	17
Sourcing of Materials	18
Our People	19
Apprentices and Trainees	20
Combat to Construction	21
Training and Development	22
Health and Safety	23-24
Our Community	25
Community Consultations	26
Supporting Community and Charitable Initiatives	27
Persimmon Objectives 2016	28
Governance	29
Key Sustainability Risks	30
Sustainability in Action – Case Studies	
The Oaks, Selly Oak, Birmingham	31
Cupar North, North Fife	32
Marina Park, Northampton	33
Young Achievers of the Year Awards	34
Community Champions	35-37
KPIs	38

Health and Safety

There is no greater responsibility for an organisation than to ensure the health, safety and wellbeing of its employees and others who could be affected by its activities. Our overall objective is to be proactive in removing and reducing the risks associated with our work.

To achieve this the Group's Health and Safety Policy and management systems stipulates, firstly, that pre-start planning is undertaken to identify reasonably practicable controls to remove and reduce the risks associated with our work activities. Secondly, that the controls are implemented correctly at all times and, thirdly, that all our operations, including construction, sales, customer care and office based activities, are regularly monitored and reviewed to maintain the required policy standards.

Therefore, we strongly promote, to both our directly employed and supply chain workforce, the collective and individual responsibility we all have to ensure the controls required to mitigate the risks associated with our work activities are planned and implemented at all times.

The Group Health and Safety Department resource devoted to providing support to our operational management has increased by 50% in 2015 and is now more closely aligned with our regional and operating business organisation structure. It is intended that this will enhance the Group's ability to plan, monitor and review the effective implementation of our health and safety management systems. On a day to day level, the new structure will augment the department's ability to provide training, attend pre-start meetings, carry out unannounced inspections of construction, customer care, sales and office work activities as well as undertake incident led investigations.

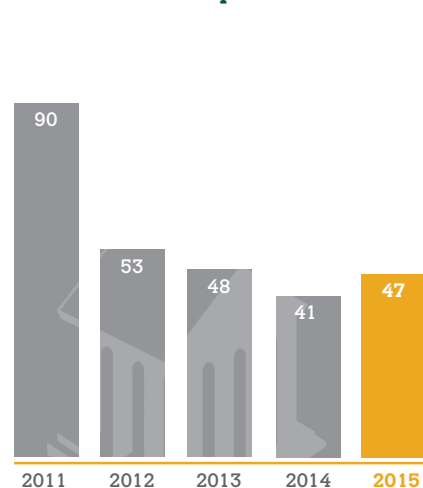
Third Party audits of the Group's health and safety management systems were last undertaken in 2014 as part of a bi-annual process. Going forward, this exercise will be carried out as part of a rolling programme that will see a minimum of one of our 28 operating businesses audited every month.

In addition to Group Health and Safety performance monitoring activities, regular visual and/or documented checks of our work activities are also undertaken by all levels of our operational management teams.

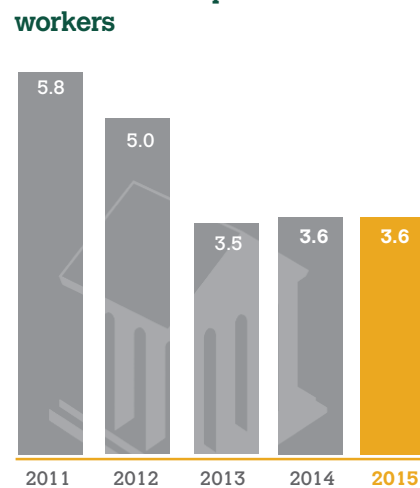
The overall aim is that by implementing the requirements of the Group Health & Safety Policy and responding to the findings from our monitoring and review processes we can deliver improvements in our health and safety performance levels.

As part of our incident led investigations we notify the Health and Safety Executive (HSE) of relevant work related accidents under the Reporting of Incidents, Diseases and Dangerous Occurrences Regulations (RIDDOR). There were no fatalities to report and the number of major injuries reduced 18% in 2015 compared to the previous year. The number of injuries resulting in over seven days of absence increased by 39% with the bulk of all reportable injuries (43%) relating to slips, trips or falls on the same level.

No. of RIDDOR reportable accidents



No. of RIDDORs per thousand workers



The actual number of RIDDORs increased by 15% from 41 in 2014 to 47 in 2015 although, due to increases in production and the number of site based personnel, our Annual Incident Injury Rate (AIIR) only increased slightly to 3.6 RIDDORs per 1,000 workers (2014: 3.5).

The HSE made 39 unscheduled site visits in 2015 (2014: 45). The results of its visits showed a significant improvement in performance with 64% of the feedback received resulting in satisfactory comments (2014: 40%) whilst Notifications of Contraventions and Prohibition/Improvement Notice enforcement actions were down 38% and 71% respectively. During 2015 we were not subject to any HSE prosecution and we continue to strive to maintain good standards and a good working relationship with the HSE.

The Group compares its annual performance against figures produced by the Home Builders Federation (HBF) Health & Safety Forum and the "all construction industry" statistics produced by the HSE. Both the HBF and HSE collate and publish annual accident reports for the 1 April – 31 March reporting period, and our annual statistics are comparable.

Health & safety training

Training is provided both to our directly employed and subcontractor workforce and covers the most significant risks associated with our construction operations and our other work activities including customer care, sales and office based roles.

We coordinate and provide Construction Industry Training Board (CITB) recognised training to our management teams, including Site Safety Plus, Scaffold Inspection, Lifting Operations and Lifting Equipment as well as new starter inductions and policy briefings/updates for management.

In addition to the more formal training detailed above, Toolbox Talks (TBTs) for site personnel, including our supply chain workforce, are agreed and delivered locally by our operating businesses and Group Health and Safety Department. The choice of TBTs is based on performance monitoring findings and details of the TBT programme are maintained in Operating Business Health and Safety Action Plans.

The number of health and safety training days co-ordinated and provided by the Group in 2015 was 8,217 (2014: 6,045), an increase of 36%.

All of our site compounds have facilities that allow the screening of DVDs on Health & Safety, specially developed for use by Persimmon. The DVDs produced include a specific message from the Group's Senior Management, which cover pre-start and site closedown activities as well as a wide range of work related topics. Additional DVDs have been produced to assist in the delivery of tool box talks on operational issues such as working at height, traffic management and occupational health.

The Group views effective training as a two way street and whilst there is an absolute requirement for management and others to impart key safety messages via TBTs and other means, we actively encourage engagement from our employees and sub-contractor workforce. This includes, for example, offering ideas and suggestions on all aspects of health and safety as well as reporting near misses and dangerous occurrences.

An ongoing programme of Project Management Leadership and Behavioural Safety that began in March 2015 with 12 one day courses for senior construction staff will continue into 2016.

The Group works closely with the Home Builders Federation (HBF) Health and Safety Forum to improve health and safety standards in the sector.

Health & Safety — Objectives

In 2016 we will:	Actions and Measurement
Provide robust operational support through increased Group Health and Safety Department resource	Co-ordinate and provide practical risk based health & safety training across the workforce
Continue to raise health and safety awareness amongst our directly employed and supply chain workforce	Ongoing participation in industry led (HBF) initiatives
Strive to ensure the highest standards of Health & Safety across our workforce and sites	Reduce the year on year Accident Incident Injury Rate per 1,000 workers

Chief Executive's Introduction	01
2015 Summary	02
Key Achievements	03
Managing Sustainability	04-05
Our Customers	06
Customer Care	07
Making Homes More Accessible for our Customers	08-09
Quality Homes	10
Our Environment	11
Persimmon and Climate Change	12
Building Energy Efficient Homes	13
Space4	14
Managing Energy Use	15
Waste and Recycling	16
Promoting Sustainable Living	17
Sourcing of Materials	18
Our People	19
Apprentices and Trainees	20
Combat to Construction	21
Training and Development	22
Health and Safety	23-24
Our Community	25
Community Consultations	26
Supporting Community and Charitable Initiatives	27
Persimmon Objectives 2016	28
Governance	29
Key Sustainability Risks	30
Sustainability in Action – Case Studies	
The Oaks, Selly Oak, Birmingham	31
Cupar North, North Fife	32
Marina Park, Northampton	33
Young Achievers of the Year Awards	34
Community Champions	35-37
KPIs	38

Our Community

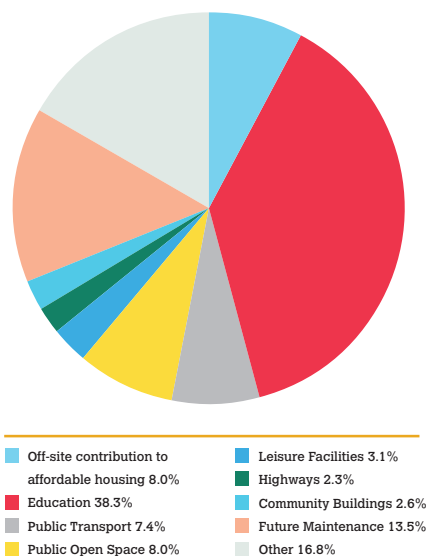
Persimmon builds not only homes but sustainable communities. The former requires a deep understanding of our customers' needs while the latter entails a detailed appreciation of the social, environmental and economic factors that contribute to the success of our new developments.

At the planning stage of every development we take a holistic view of what is required. There is no single or off the shelf template that can be used. Rather, our approach is bespoke, and takes account of a host of different and at times competing considerations. These may include, among other things, topography, transport infrastructure, educational and recreational provision, and proximity to shops and other services.

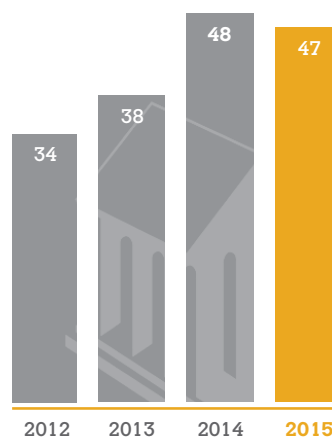
In collaboration with the local planning authorities and local residents we strive to create communities that are economically, socially and environmentally viable over the longer term. Consultation and dialogue with communities is both a prerequisite and precursor to any development. Sharing information about what is proposed and the feedback we receive ensures that our plans can be tailored and improved to take account of community feedback. To read more about how we approach community consultation please go to page 26.

In 2015 we delivered around £47 million in new community facilities, a similar amount to last year (2014: £48 million). Of this figure around £18 million (38%) related to enhancements to educational provision and around £4 million (8%) to the subsidy of social/affordable housing. Since 2012 we have invested £54 million in educational facilities alone.

Community Investment



Community Investment (£m)



In 2015 over 7,600 of the homes we sold (53% 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 from brownfield sites produces an environmental benefit.

Chief Executive's Introduction	01
2015 Summary	02
Key Achievements	03
Managing Sustainability	04-05
Our Customers	06
Customer Care	07
Making Homes More Accessible for our Customers	08-09
Quality Homes	10
Our Environment	11
Persimmon and Climate Change	12
Building Energy Efficient Homes	13
Space4	14
Managing Energy Use	15
Waste and Recycling	16
Promoting Sustainable Living	17
Sourcing of Materials	18
Our People	19
Apprentices and Trainees	20
Combat to Construction	21
Training and Development	22
Health and Safety	23-24
Our Community	25
Community Consultations	26
Supporting Community and Charitable Initiatives	27
Persimmon Objectives 2016	28
Governance	29
Key Sustainability Risks	30
Sustainability in Action – Case Studies	
The Oaks, Selly Oak, Birmingham	31
Cupar North, North Fife	32
Marina Park, Northampton	33
Young Achievers of the Year Awards	34
Community Champions	35-37
KPIs	38

Community Consultations

When we promote our larger developments we carry out public consultations with the local community prior to submission of a planning application. The consultation helps inform the general public of our proposals and gives them a better understanding of each of our proposed developments. The members of our project team are present to listen to any views and suggestions, to learn about local issues and answer any questions or concerns.

Through these consultations local residents' views and suggestions are gathered and reviewed to improve our proposals and, where appropriate, are included in our scheme. A Statement of Community Involvement which details the consultation process and how comments and views have improved the design of the proposed development is then submitted to the Local Planning Authority with our planning application.

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.

A good example of our community consultation can be found in our Cupar North case study on page 32.

Chief Executive's Introduction	01
2015 Summary	02
Key Achievements	03
Managing Sustainability	04-05
Our Customers	06
Customer Care	07
Making Homes More Accessible for our Customers	08-09
Quality Homes	10
Our Environment	11
Persimmon and Climate Change	12
Building Energy Efficient Homes	13
Space4	14
Managing Energy Use	15
Waste and Recycling	16
Promoting Sustainable Living	17
Sourcing of Materials	18
Our People	19
Apprentices and Trainees	20
Combat to Construction	21
Training and Development	22
Health and Safety	23-24
Our Community	25
Community Consultations	26
Supporting Community and Charitable Initiatives	27
Persimmon Objectives 2016	28
Governance	29
Key Sustainability Risks	30
Sustainability in Action – Case Studies	
The Oaks, Selly Oak, Birmingham	31
Cupar North, North Fife	32
Marina Park, Northampton	33
Young Achievers of the Year Awards	34
Community Champions	35-37
KPIs	38

Supporting Community and Charitable Initiatives

In addition to the contributions outlined on page 25, Persimmon supports numerous community projects, provides sponsorship and facilitates fundraising among its employees.

In 2015 we launched our £750,000 Persimmon Community Champions initiative. Its aim is to fund good causes across the UK. Since its launch, we have received over 5,500 applications and provided matching funding of £516,000 to support local charities and community groups. The 548 beneficiaries include arts and music groups, sports teams, hospices and charities with a predominantly local focus.



A combination of Group donations and employee fundraising activities delivered a further £156,000 to charitable and community projects, including our last payment of £70,000 to York Minster in support of its restoration appeal. This brought the Group's total fundraising to £672,000 (2014: £171,000).

Our Community — Objectives

In 2016 we will:

Actions and Measurement

Continually improve engagement with local communities

Ensure our development schemes are subject to effective community consultation and seek to develop consultation techniques utilising digital and web-based media

Focus our Community Champions initiative on causes with genuine local need

Continue to provide high quality and accessible housing to people locally

Ensure our homes effectively target key housing needs and demands in the local area. In particular, we will focus attention on first-time buyers



Continue to improve build quality

Design our new housing developments so that they create a "good place to live"

Design new homes and developments that align with the 12 Building for Life principles that relate to the quality of placemaking

Chief Executive's Introduction	01
2015 Summary	02
Key Achievements	03
Managing Sustainability	04-05
Our Customers	06
Customer Care	07
Making Homes More Accessible for our Customers	08-09
Quality Homes	10
Our Environment	11
Persimmon and Climate Change	12
Building Energy Efficient Homes	13
Space4	14
Managing Energy Use	15
Waste and Recycling	16
Promoting Sustainable Living	17
Sourcing of Materials	18
Our People	19
Apprentices and Trainees	20
Combat to Construction	21
Training and Development	22
Health and Safety	23-24
Our Community	25
Community Consultations	26
Supporting Community and Charitable Initiatives	27
Persimmon Objectives 2016	28
Governance	29
Key Sustainability Risks	30
Sustainability in Action – Case Studies	
The Oaks, Selly Oak, Birmingham	31
Cupar North, North Fife	32
Marina Park, Northampton	33
Young Achievers of the Year Awards	34
Community Champions	35-37
KPIs	38

Persimmon Objectives 2016

Theme	Objective	Actions and Measurement
Our Customers 	Continue to improve the quality of customer interaction during and following the home-buying process	Improve quality and frequency of customer communication
	Continue to work with lending stakeholders to ensure customers know about, understand and can access mortgage products best suited to them	Ensure customers understand the financing options available to them
	Ensure we satisfy and exceed customer expectations throughout the home-buying process	Improve our customer experience and satisfaction rating
Our Environment 	Continue to manage our carbon emissions effectively	Participate in the Carbon Disclosure Project and improve our performance and disclosure scores
	Increase our use of sustainable concrete bricks as an alternative to clay bricks	Aim for a significant proportion of bricks we use to be concrete
	Continue to investigate and invest in the use of off-site manufacturing	Increase the number of Space4 homes built where appropriate
Our People 	Be the industry destination of choice for graduate, trainee and apprentice recruitment	Provide a range of attractive and inspiring career opportunities for young people
	Consolidate our position as one of the UK's leading employers of ex-military personnel and adult up-skilling	Expand the Combat-to-Construction and Up-Skill-to-Construction programmes across our operations and solicit feedback from those finishing their training
	Continue to demonstrate commitment to equality and diversity throughout the business	Maintain accreditation in Employment and Customer Service at least at silver level
Health & Safety 	Provide robust operational support through increased Group Health and Safety Department resource	Co-ordinate and provide practical risk based health & safety training across the workforce
	Continue to raise health and safety awareness amongst our directly employed and supply chain workforce	Ongoing participation in industry led (HBF) initiatives
	Strive to ensure the highest standards of Health & Safety across our workforce and sites	Reduce the year on year Accident Incident Injury Rate per 1,000 workers
Our Community 	Continually improve engagement with local communities	Ensure our development schemes are subject to effective community consultation and seek to develop consultation techniques utilising digital and web-based media
		Focus our Community Champions initiative on causes with genuine local need
	Continue to provide high quality and accessible housing to people locally	Ensure our homes effectively target key housing needs and demands in the local area. In particular, we will focus attention on first-time buyers
	Design our new housing developments so that they create a "good place to live"	Continue to improve build quality Design new homes and developments that align with the 12 Building for Life principles that relate to the quality of placemaking

Chief Executive's Introduction	01
2015 Summary	02
Key Achievements	03
Managing Sustainability	04-05
Our Customers	06
Customer Care	07
Making Homes More Accessible for our Customers	08-09
Quality Homes	10
Our Environment	11
Persimmon and Climate Change	12
Building Energy Efficient Homes	13
Space4	14
Managing Energy Use	15
Waste and Recycling	16
Promoting Sustainable Living	17
Sourcing of Materials	18
Our People	19
Apprentices and Trainees	20
Combat to Construction	21
Training and Development	22
Health and Safety	23-24
Our Community	25
Community Consultations	26
Supporting Community and Charitable Initiatives	27
Persimmon Objectives 2016	28
Governance	29
Key Sustainability Risks	30
Sustainability in Action – Case Studies	
The Oaks, Selly Oak, Birmingham	31
Cupar North, North Fife	32
Marina Park, Northampton	33
Young Achievers of the Year Awards	34
Community Champions	35-37
KPIs	38

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 28 regional operating businesses.

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

We measure, monitor and report on our sustainability activities and performance on an annual basis. Sustainability management is an 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. After each CR Committee meeting a report is made to the Board. A summary of the KPIs are included in the Board briefing papers and CR is discussed annually at the strategy meeting. A summary of our KPI performance data can be found on page 38 and our sustainability policies can be found in the Corporate Responsibility section of our corporate website (www.corporate.persimmonhomes.com).

Persimmon complies with the UK Corporate Governance Code 2014 and our Annual Report 2015 provides further information on our corporate governance.

Chief Executive's Introduction	01
2015 Summary	02
Key Achievements	03
Managing Sustainability	04-05
Our Customers	06
Customer Care	07
Making Homes More Accessible for our Customers	08-09
Quality Homes	10
Our Environment	11
Persimmon and Climate Change	12
Building Energy Efficient Homes	13
Space4	14
Managing Energy Use	15
Waste and Recycling	16
Promoting Sustainable Living	17
Sourcing of Materials	18
Our People	19
Apprentices and Trainees	20
Combat to Construction	21
Training and Development	22
Health and Safety	23-24
Our Community	25
Community Consultations	26
Supporting Community and Charitable Initiatives	27
Persimmon Objectives 2016	28
Governance	29
Key Sustainability Risks	30
Sustainability in Action – Case Studies	
The Oaks, Selly Oak, Birmingham	31
Cupar North, North Fife	32
Marina Park, Northampton	33
Young Achievers of the Year Awards	34
Community Champions	35-37
KPIs	38

Key Sustainability Risks

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

These are:

- **Physical/weather-related 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** — changes to national regulation resulting in environmental and other standards which could cause additional planning delays and increase our construction and compliance costs
- **Financial risks** — the availability of mortgages and house insurance and thus consumer demand
- **Product risk** — meeting increased Government and customer demands for sustainable housing
- **Supply chain risk** — ensure that key materials used in the build process are consistently and readily available. As part of this, we monitor how changes to regulation 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
- **Human Resource risk** — our ability to attract, retain and motivate employees of the requisite quality and with the relevant skills to deliver our business strategy

These risks are reviewed and updated on a regular basis.

To view our policies please visit the Corporate Responsibility section of our corporate website (www.corporate.persimmonhomes.com).

Chief Executive's Introduction	01
2015 Summary	02
Key Achievements	03
Managing Sustainability	04-05
Our Customers	06
Customer Care	07
Making Homes More Accessible for our Customers	08-09
Quality Homes	10
Our Environment	11
Persimmon and Climate Change	12
Building Energy Efficient Homes	13
Space4	14
Managing Energy Use	15
Waste and Recycling	16
Promoting Sustainable Living	17
Sourcing of Materials	18
Our People	19
Apprentices and Trainees	20
Combat to Construction	21
Training and Development	22
Health and Safety	23-24
Our Community	25
Community Consultations	26
Supporting Community and Charitable Initiatives	27
Persimmon Objectives 2016	28
Governance	29
Key Sustainability Risks	30
Sustainability in Action – Case Studies	
The Oaks, Selly Oak, Birmingham	31
Cupar North, North Fife	32
Marina Park, Northampton	33
Young Achievers of the Year Awards	34
Community Champions	35-37
KPIs	38

The Oaks, Selly Oak, Birmingham

Themes: regeneration, affordable housing, public land

Formerly used as a hospital and previously owned by University Hospitals Birmingham NHS Foundation Trust, this 43-acre site lies just east of the A38 and close to both Selly Oak and Bourneville stations.



This development will eventually include 650 homes, of which just under a fifth will be social/affordable housing. The emphasis will be on providing homes for families in two, three and four bedroom properties in a mixture of styles including detached, semi-detached and short terraces. In addition, there will be a smaller number of one and two bedroom apartments to enhance the street scene 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.



This major residential project is expected to create 1,500 jobs during its lifespan. Phase one of the development will comprise 98 homes, including 18 social/affordable units, a new cricket pitch and pavilion, open space and parking.

The entire development will be sympathetic to the character of its surroundings, including the adjacent Bourneville Conservation Area, in terms of both the scale and design of the houses and the landscaped setting. The development will also respect the level of amenity currently enjoyed by existing occupiers adjoining the site and will provide an attractive living environment for future occupiers.

Chief Executive's Introduction	01
2015 Summary	02
Key Achievements	03
Managing Sustainability	04-05
Our Customers	06
Customer Care	07
Making Homes More Accessible for our Customers	08-09
Quality Homes	10
Our Environment	11
Persimmon and Climate Change	12
Building Energy Efficient Homes	13
Space4	14
Managing Energy Use	15
Waste and Recycling	16
Promoting Sustainable Living	17
Sourcing of Materials	18
Our People	19
Apprentices and Trainees	20
Combat to Construction	21
Training and Development	22
Health and Safety	23-24
Our Community	25
Community Consultations	26
Supporting Community and Charitable Initiatives	27
Persimmon Objectives 2016	28
Governance	29
Key Sustainability Risks	30
Sustainability in Action – Case Studies	
The Oaks, Selly Oak, Birmingham	31
Cupar North, North Fife	32
Marina Park, Northampton	33
Young Achievers of the Year Awards	34
Community Champions	35-37
KPIs	38

Cupar North, North Fife

Themes: Community Consultation, Regeneration

Persimmon is a member of the Cupar North Consortium (CNC), a joint venture with Headon Developments and VICO Properties, which has plans to build 1,400 new homes over a 20 year period in the area. The development will also deliver significant employment and investment benefits. It is estimated that the new households will generate an annual gross expenditure of around £32 million with an additional £7.4m being spent in the first year of residents moving into their new homes. This will be of considerable benefit to local businesses.



CNC has undertaken a thorough and comprehensive public consultation for the proposals including:

- A two day public consultation event in October 2014 with associated meetings and presentations to both the local Council and community groups allowing stakeholders to raise their concerns and questions with representatives of the consortium either in person or via other means. The event was attended by over 600 visitors.
- A workshop was held in March 2015 and attended by 30 people representing many of the town's community groups.
- A public exhibition was held over two days in August 2015 with presentations to the community council and local community groups. This event was attended by approximately 100 visitors.

All of the events were extensively publicised and invitations were issued directly to community representatives including the local MP, MSPs, Fife Councillors, Cupar and District Community Council and all other local community groups. A dedicated Cupar North website was set up in parallel with the first consultation event, which has been updated regularly to provide residents and other stakeholders with information on progress.

The feedback gathered from these events has been incredibly valuable and has informed the preparation of the development proposals and, in particular, the masterplan for the site. A great deal of time and planning expertise has resulted in a proposed infrastructure that will not only provide new homes but will also deliver a new primary school, space for new businesses (together with the associated employment opportunities), and land to accommodate the expansion of the local GP and hospital services.

CNC will build a relief road in the first half of the development that will allow traffic, HGVs in particular, to avoid the town centre and thereby improve air quality and pedestrian safety in the town centre. In addition, the masterplan proposals will open up access to land to the south of the A91 which is identified for employment use and aims to provide in excess of 700 new jobs.

The Cupar North development includes within its vision significant social and economic benefits to the local community from improved infrastructure, new roads, schooling, health facilities and employment.

Should planning approval be secured we anticipate that work on the development will commence in the latter part of 2016.

Chief Executive's Introduction	01
2015 Summary	02
Key Achievements	03
Managing Sustainability	04-05
Our Customers	06
Customer Care	07
Making Homes More Accessible for our Customers	08-09
Quality Homes	10
Our Environment	11
Persimmon and Climate Change	12
Building Energy Efficient Homes	13
Space4	14
Managing Energy Use	15
Waste and Recycling	16
Promoting Sustainable Living	17
Sourcing of Materials	18
Our People	19
Apprentices and Trainees	20
Combat to Construction	21
Training and Development	22
Health and Safety	23-24
Our Community	25
Community Consultations	26
Supporting Community and Charitable Initiatives	27
Persimmon Objectives 2016	28
Governance	29
Key Sustainability Risks	30
Sustainability in Action – Case Studies	
The Oaks, Selly Oak, Birmingham	31
Cupar North, North Pife	32
Marina Park, Northampton	33
Young Achievers of the Year Awards	34
Community Champions	35-37
KPIs	38

Marina Park, Northampton

Themes: regeneration, brownfield land, public land

The site was previously Princess Marina Hospital owned by the NHS and operated as a secure facility for patients with head injuries and mental health problems. It is located on the western side of Northampton close to the A4500, which links to the M1. It has a shared infrastructure access with another recent large residential development at St Crispin's, which commenced in the early 2000's.



The overall area of 17.38 hectares gained outline planning permission for 550 new homes with affordable housing comprising 193 plots (35%) with 12 of these designated specifically for key workers. Ten per cent of the affordable housing has been built to mobility housing standard.

The Local Planning Authority will receive £574,750 in council tax receipts and around £3.5 million in New Homes Bonus. This is in addition to just over £5 million in Section 106 contributions covering improvements to local infrastructure such as schools and roads.

The scheme has been heavily influenced by Design Guidance prepared by the council. Of key importance was the relationship of the scheme with the existing environment, establishing a strong sense of place. With this in mind, a number of existing trees were retained to accommodate the development and shape the pattern of the scheme and a parkland area will be created to provide a 'green heart' that will ultimately benefit the wider community.

Chief Executive's Introduction	01
2015 Summary	02
Key Achievements	03
Managing Sustainability	04-05
Our Customers	06
Customer Care	07
Making Homes More Accessible for our Customers	08-09
Quality Homes	10
Our Environment	11
Persimmon and Climate Change	12
Building Energy Efficient Homes	13
Space4	14
Managing Energy Use	15
Waste and Recycling	16
Promoting Sustainable Living	17
Sourcing of Materials	18
Our People	19
Apprentices and Trainees	20
Combat to Construction	21
Training and Development	22
Health and Safety	23-24
Our Community	25
Community Consultations	26
Supporting Community and Charitable Initiatives	27
Persimmon Objectives 2016	28
Governance	29
Key Sustainability Risks	30
Sustainability in Action – Case Studies	
The Oaks, Selly Oak, Birmingham	31
Cupar North, North Fife	32
Marina Park, Northampton	33
Young Achievers of the Year Awards	34
Community Champions	35-37
KPIs	38

Young Achievers of the Year Awards

Established in 2014, these awards recognise the achievements of Persimmon's trainees and apprentices who have performed above and beyond the requirements of their roles.

Each of Persimmon's 28 operating businesses nominated individuals for four awards, with the finalists in each category attending a special awards ceremony, which was hosted by Group Chief Executive Jeff Fairburn and Group HR Director Richard Latham.



The Young Achiever 2015 was Ian Brown, who joined the company with a degree in construction management in June 2013.

Ian is an excellent example to use as proof that with the right attitude, together with the right training, you can progress very quickly within Persimmon from a trainee to a management position. Many of our directors, like me, started their careers on training programmes, including apprenticeships and YTS schemes. Young people are a vital part of our future and it's essential we recognise their hard work, whether it's in our marketing suites on developments, within regional offices or out on site helping us to build homes.

Jeff Fairburn, Group Chief Executive

The other winners were:

- Trade Apprentice of the Year: James Doyle from Persimmon Homes Essex
- Sales Trainee of the Year: Connie Doyle from Persimmon Homes South Coast
- Business Trainee of the Year: Oliver Long from Persimmon Homes East Midlands
- Duncan Davidson Award: Site Manager Ian Brown from Persimmon Homes West Scotland. The Duncan Davidson Award, named in honour of Persimmon's founder and Life President, recognises individuals who have made a significant contribution to the Company's success

Chief Executive's Introduction	01
2015 Summary	02
Key Achievements	03
Managing Sustainability	04-05
Our Customers	06
Customer Care	07
Making Homes More Accessible for our Customers	08-09
Quality Homes	10
Our Environment	11
Persimmon and Climate Change	12
Building Energy Efficient Homes	13
Space4	14
Managing Energy Use	15
Waste and Recycling	16
Promoting Sustainable Living	17
Sourcing of Materials	18
Our People	19
Apprentices and Trainees	20
Combat to Construction	21
Training and Development	22
Health and Safety	23-24
Our Community	25
Community Consultations	26
Supporting Community and Charitable Initiatives	27
Persimmon Objectives 2016	28
Governance	29
Key Sustainability Risks	30
Sustainability in Action – Case Studies	
The Oaks, Selly Oak, Birmingham	31
Cupar North, North Fife	32
Marina Park, Northampton	33
Young Achievers of the Year Awards	34
Community Champions	35-37
KPIs	38

Community Champions

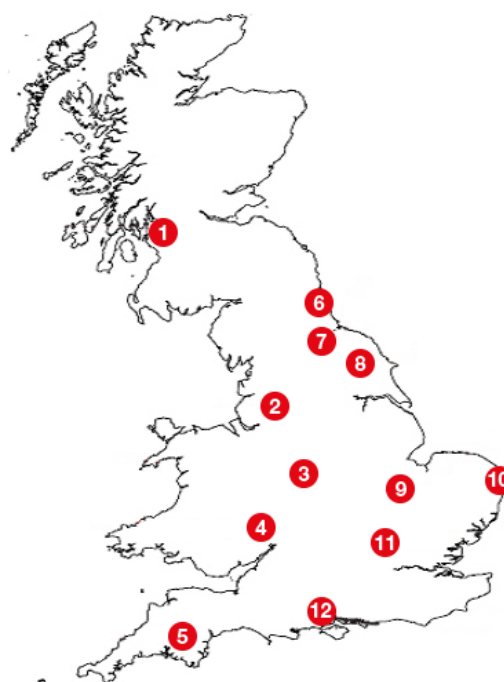
Our £750,000 Community Champions initiative is a national programme where charities and community groups can apply for funding up to the value of £1,000 to match money they have already raised themselves. In this way, Persimmon aims to support people across every city, town and village where the Group operates.



Some of the recipients of our Community Champions awards together with Persimmon's Chief Executive

Every one of the company's operating businesses along with the PLC head office and Space4 has two grants of up to £1,000 each to donate every month.

Some of the beneficiaries of Community Champions



- 1 Morton Girls FC, Greenock
- 2 Sherenades Dance Troupe, Flixton
- 3 Cruse Bereavement Care, Birmingham
- 4 Music Works, Cinderford
- 5 339 Squadron Air Cadets, Ivybridge
- 6 Easington Colliery Heritage Group, County Durham
- 7 Red Dreams, Teeside
- 8 Friends of Kirk Theatre, Pickering
- 9 Cardea First Responders, East Midlands
- 10 Lowestoft Summer Festival, Norfolk
- 11 DEMAND, Abbots Langley
- 12 Countess Mountbatten Cancer Hospice, Southampton

Countess Mountbatten Cancer Hospice Charity is well known in the Southampton area for providing first class care to people with life limiting illnesses. Spokeswoman Ruth Andrew said: "Persimmon's generous donation will help the hospice to deliver its 'over and above' services such as aromatherapy and reflexology to improve the quality of life of patients and their carers."



The **Music Works** runs SoundSpace, a specialist music rehearsal facility for children, young people and the local community in Cinderford, Forest of Dean. The charity works with about 300 young people and local residents each year, giving them the chance to create music, play and record in bands. The Music Works used its award from Community Champions to give its studio a much needed revamp.



339 Squadron Air Cadets, based at Ivybridge in Devon, received £1,000 to help them buy new archery equipment which will be used by the cadets in attaining their Duke of Edinburgh Awards. Warrant Officer Lynn Parsons of the group said: "The guys and girls of the Squadron do a lot of voluntary work – everything from marshalling local bike events to packing bags at supermarkets."



Cruse Bereavement Care in Birmingham is using its award to help fund a new element of family therapy in which the charity will rent an allotment and those affected by bereavement and volunteers will come together to tend it. Cruse's Lesley Hales explained: "Evidence shows that engaging positively with the cycles of nature improves well being and can help family members come to terms with their bereavement. This donation will directly impact on the project and assist us with helping more people."



DEMAND is a charity dedicated to providing bespoke equipment to help people with disabilities. The support they receive – including that from Community Champions – enables the charity to focus the necessary time to design solutions specific to an individual and provide them free of charge.



Lowestoft Summer Festival provides a wealth of entertainment for all ages. Persimmon's donation helped with the costs of St John Ambulance medical cover throughout the festival and thereby increased the amount available for distribution to good causes in the surrounding area.



Danny Steel, chairman of Lowestoft Vision, said: "All of the funds raised by the festival will be distributed to local charities and good causes by the town's three Rotary clubs and the Lions. The event will include sports tasters for 17 schools, a sandcastle competition, seafront picnic and treasure hunt. There will also be a velodrome in the town centre."

Cardea First Responders is a group of volunteers who provide emergency treatment in their community, a new village being developed by Persimmon near Peterborough. They've been trained by the East of England Ambulance Service NHS trust (EEAST) in basic life support and the use of a defibrillator and attend medical emergencies such as cardiac arrests. Their aim is to reach a potential life threatening emergency in the first vital minutes before an ambulance crew arrives on scene. The Community Champions award recognised the selfless commitment they've made to the health of their neighbours and the wider community.



Sherenades Dance Troupe received £1,000 from Community Champions. Based in the village of Flixton, Greater Manchester, the troupe features four teams of dancers who take part in local events as well as performing for patients and residents in hospitals and nursing homes in their community.



The **Friends of Kirk Theatre** was formed in 2013 to raise funds to help modernise and maintain the theatre. It has become a unique resource for Pickering and the surrounding community, providing a venue for professional theatre groups, children's organisations and clubs. Community Champions provided £1,000 of funding for an internal radio system to improve communications and safety throughout the theatre.



The founder of the voluntary group, Bridget Robinson-Clark, was delighted to receive the funding and said: "Persimmon's donation means so much to us and will inspire us to continue our fundraising, which is never easy. Over the last two years a small group of volunteers has worked tirelessly to raise more than £10,000 which has been spent on general maintenance and the start of our modernisation project. The new radio system will greatly improve real time communication from front of house to the backstage team as well as being a huge asset in case of an emergency."

Community Champions gifted £1,000 to **Easington Colliery Heritage Group**. The money was used to fund a Heritage Open Day carnival, which celebrated the mining heritage of the local community. The carnival consisted of a brass band, fairground rides, children's activities, food and music.



Susan Greig, chairwoman of the Group said: "We're extremely grateful for the money that has been donated to us from Persimmon Homes Durham. The local community has very strong connections with the mines and although it's important to look to the future, it's equally important not to forget the past. The Heritage Open Day carnival was a great way to celebrate who we are and to remember our mining roots by bringing everyone together. By making it a family event we hope that the memory of the mines and their workers will live on through future generations."

Red Dreams, based in Teesside, has received £1,000 to help young people support their ambitions and build confidence through art. The charity was set up by Dawn and Ian McManus following the sudden and tragic death of their son, Kyle, who died from a brain haemorrhage in 2007, aged just 16.



Dawn said: "A huge thanks to Persimmon Homes for this generous donation. We plan to use the funding to help disadvantaged children for whom mainstream education isn't working. We will offer them an alternative education through creative arts, so that we can tap into their unknown potential and build up their confidence and self esteem."

Red Dreams already has a qualified teacher on board as well as others with arts awards and entry level teaching qualifications. They are planning a series of structured workshops and practical sessions which will engage and develop each person taking part in the six week programme.

Established in 2014, **Morton Girls FC** offers girls aged 9-17 the chance to play competitive football, with 83 registered players. The various teams train every Monday and Friday whatever the weather. The club is self-funding with volunteer coaches and player fees that ensure the activity is accessible to all.



Leanne McPhail, head of Morton Girls, said: "We are delighted to have been chosen as a Persimmon Community Champion. The money will be used to equip our coaches and players with training hoodies to protect them in the temperamental Scottish weather and give them a real sense of identity."

Chief Executive's Introduction	01
2015 Summary	02
Key Achievements	03
Managing Sustainability	04-05
Our Customers	06
Customer Care	07
Making Homes More Accessible for our Customers	08-09
Quality Homes	10
Our Environment	11
Persimmon and Climate Change	12
Building Energy Efficient Homes	13
Space4	14
Managing Energy Use	15
Waste and Recycling	16
Promoting Sustainable Living	17
Sourcing of Materials	18
Our People	19
Apprentices and Trainees	20
Combat to Construction	21
Training and Development	22
Health and Safety	23-24
Our Community	25
Community Consultations	26
Supporting Community and Charitable Initiatives	27
Persimmon Objectives 2016	28
Governance	29
Key Sustainability Risks	30
Sustainability in Action – Case Studies	
The Oaks, Selly Oak, Birmingham	31
Cupar North, North Fife	32
Marina Park, Northampton	33
Young Achievers of the Year Awards	34
Community Champions	35-37
KPIs	38

KPIs

	2011	2012	2013	2014	2015
Housing completions	9,360	9,903	11,528	13,509	14,572
ENVIRONMENT					
Building energy use (Million kWh)	29.1	29.8	30.0	23.1	30.7
Carbon emissions (Tonnes CO ₂ e)*	13,985	14,305	14,111	27,851	31,557
Carbon emissions per home completed (Tonnes CO ₂ e)*	1.54	1.37	1.20	2.06	2.17
Sustainable homes built (assessed against CfSH or EcoHomes standard)	2,512	2,165	2,797	4,255	3,663
Average SAP Rating	84	83	83	83	83
Homes incorporating renewable energy	—	—	845	1,215	1,338
Waste generated (Tonnes)	62,000	63,000	66,000	86,000	91,161
Waste per home completed (Tonnes)	6.6	6.4	5.7	6.4	6.3
Waste recycled %	84%	88%	90%	90%	92%
Homes built on brownfield land	5,370	5,546	6,225	7,390	7,658
Homes built on brownfield land %	57%	56%	54%	55%	53%
Trees planted	169,576	77,177	85,078	93,595	123,897
Trees planted per home completed	18	8	7	7	9
HEALTH & SAFETY					
No. of worker RIDDOR reportable incidents	90	53	48	41	47
RIDDORs per 1,000 workers	9.8	5.8	5.0	3.5	3.6
HSE Prosecutions	0	0	0	1	0
HSE Enforcement Notices	0	0	1	7	2
WORKING AT PERSIMMON					
Total employees	2,432	2,515	2,791	3,453	4,188
Female employees (No.)	852	895	928	1,001	1,162
Female employees %	35%	36%	33%	29%	27%
Female Directors	22	20	20	19	15
Training days provided	3,507	4,621	4,400	7,911	10,212
Trainees and Apprentices %	3%	4%	10%	13%	14%
CUSTOMERS					
NHBC/HBF Customer Care Standard	4 star	4 star	4 star	3 star	3 star
PERSIMMON IN THE COMMUNITY					
Social and affordable homes completed	1,791	1,686	2,121	2,256	2,147
Social and affordable as a proportion of total completions	19%	17%	18%	17%	15%
Infrastructure contributions (£m)	—	33.6	38.3	48.4	46.9
Charitable donations made by the Group (£)	94,000	359,000	96,000	113,000	593,000
Employee charitable fundraising (£)	91,000	45,200	58,000	58,000	79,000

* Totals for 2014 and 2015 incorporate additional energy consumption for red diesel not previously reported.

