

Building a sustainable business

Sustainability Report 2017





Building a sustainable business

CONTENTS

Overview

- 2 Chief Executive's introduction
- 3 2017 summary

Our approach

- 5 Our approach and link to business strategy

Our key themes

- 7 Our Customers
- 12 Our People
- 17 Our Wellbeing
- 21 Our Environment
- 28 Our Communities

Responsible business

- 34 Governance
- 35 Key sustainability risks
- 37 Key Performance Indicators
- 38 Feedback, Policies and Past reports



For more information visit:

www.persimmonhomes.com/corporate/corporate-responsibility



For more information within this report

CHIEF EXECUTIVE'S INTRODUCTION



Persimmon is committed to working with others in the sector to address the range of challenges that need to be overcome to achieve the Government's target of 300,000 new homes each year by the mid-2020s."

Jeff Fairburn
Group Chief Executive



Persimmon's performance over the past 12 months has been excellent. We built 16,043 homes, an increase of 872 on the previous year and continued to execute our long term strategic plan to create superior sustainable shareholder value.

The increase in the number of homes we build is making a good contribution to addressing the housing shortage especially for first-time buyers and first-time movers. This issue has, quite rightly, commanded the attention of the Government and other stakeholders. Persimmon is committed to working with others in the sector to address the range of challenges that need to be overcome to achieve the Government's target of 300,000 new homes each year by the mid-2020s. This willingness is demonstrated in the Home Building Skills Pledge, which commits Persimmon and other signatories to collaborate on training standards, diversity and inclusion and promoting careers in the sector.

Sustainability is important to Persimmon. It is about acting responsibly to do the right thing for the business, whether that relates to our customers, employees, the communities in which we build or the environment. By integrating sustainability throughout the business we can also improve operational and financial performance. An example of how we have translated strategy into action is the opening of our new Brickworks which will contribute to a reduction in our environmental

footprint as well as delivering financial and supply benefits to the business. Likewise, our investment in customer care has been recognised by improvements in our rating in the HBF National New Homes Customer Satisfaction Survey. We have also improved our own internal customer care measures. I am particularly proud of this achievement, given the growth in build.

Finally, I want to highlight the success of our Healthy Communities Campaign which, since its launch in May 2017, has donated £132,750 through the Persimmon Charitable Foundation to 240 sports teams and clubs aimed at under 21s across the country. We have chosen 30 finalists to compete to receive a top prize of £200,000 and two runner up prizes of £50,000. The winner will be announced in March 2018 and will be the sports club with the most public votes. Together with our Community Champions scheme, which donated £601,092 through the Persimmon Charitable Foundation to community groups during the year, we aim to support the local communities where we operate.

Jeff Fairburn
Group Chief Executive
March 2018

2017 SUMMARY



In 2017 we also widened our consideration of each of our stakeholder groups and this effort will continue.”

Marion Sears
Chairman
Corporate Responsibility Committee
March 2018

Persimmon had a successful year in 2017. Once again we achieved strong build volumes, we improved standards across all parts of the business and we replenished our land supply to ensure future growth. These actions all contribute to making Persimmon a sustainable business and they are consistent with our long term strategic vision. A highlight for 2017 was the commissioning of our own brick manufacturing facility, which makes a strong sustainability statement in itself with regard to the manufacturing process and supply constraints generally, but more widely the focus has been on extending our thinking to all stakeholders, and their views, in a more rigorous way. This work is set to continue in 2018.

We are guided by our sustainability values as follows:

- the houses we build are family homes;
- these homes are designed to be affordable for first-time buyers and first-time movers;
- we build nationwide, but not in central London;
- we focus on larger schemes, creating new communities and improving infrastructure;
- we begin to build as soon as full planning and technical consents are received;
- we use our own and third-party offsite manufactured components to improve efficiency and speed of build; and
- we care about the environment and communities where we work and we take action to create a positive, lasting legacy.

In our operations we have improved training at site level, reduced our diesel use and introduced a Groupwide carbon reduction programme. We participated again in the Carbon Disclosure Project and our score improved.

In 2017 we also widened our consideration of each of our stakeholder groups and this effort will continue. Later in this report we have set out our stakeholder matrix with a summary of how we engage and how we respond.



↑
Inside our Brickworks at Harworth

We hear the increasing requests for business to support society and we recognise the expectations in the revised UK Corporate Governance Code published by the Financial Reporting Council, which is currently under consultation. We have made significant effort to engage in the local communities where we work. We are proud of the Persimmon Charitable Foundation which supports communities nationwide through the Community Champions and Healthy Communities schemes. In total, in 2017, £748,842 was donated by our Charitable Foundation to help local projects across the country and we are hopeful that we are contributing to lasting legacies in many places.

In 2018 we will focus on our people with training, as always, an important effort. We will also publish our gender pay data and we will look at how we can improve diversity and succession planning, wider staff engagement and make a stronger statement on culture and values.

2017 SUMMARY
continued

All of our achievements during 2017 benefit the local communities we serve through our focus on our customers, our people, our wellbeing, our environment and our communities. Some of our key achievements in the last year are outlined opposite:



OUR CUSTOMERS



- We increased the number of new homes sold in 2017 to 16,043 (2016: 15,171).
- 79.1% of our customers would recommend Persimmon to a friend in the HBF Customer Satisfaction Survey (2016: 74.6%).
- In 2017, our average selling price was £213,321 compared to the national average house price of £227,000* in December 2017.

* Source: ONS

OUR PEOPLE



- We employed 4,535 people on average during 2017 (2016: 4,526).
- The amount of training provided to our workforce increased to 10,669 days (2016: 10,550).
- We signed up to the Home Building Skills Pledge demonstrating our commitment to addressing the skills gap in the industry.

Homes sold

16,043

2016: 15,171

Employees

4,535

2016: 4,526

OUR WELLBEING



- Enhanced the effective 'Plan, Do, Check, Act' leadership skills of Senior and Project Management and produced additional DVD Toolbox talk training material for delivery to construction personnel.
- Co-ordinated and delivered 3,847 days of health and safety training as part of our CITB training plan (2016: 3,469).
- The number of legal completions per RIDDOR improved to 330 (2016: 327 legal completions per RIDDOR).

OUR ENVIRONMENT



- Production at our Brickworks began in November and by year end we had manufactured over 3 million concrete bricks for use on our sites.
- We improved our score in the Carbon Disclosure Project to C (Awareness) (2016: D (Disclosure)).
- During 2017 the Group's housebuilding businesses increased their use of the Space4 system, with volumes of timber frame house kits and insulated roof systems increasing by 17% to over 6,450 (2016: c. 5,500).
- Our total operational carbon footprint in 2017 was 30,830 tonnes CO₂e (2016: 32,599 tonnes CO₂e), a decrease of 5%.

OUR COMMUNITIES



- We built 2,769 homes for housing associations in 2017 (2016: 2,218). Additionally, we built a further 236 affordable homes using Discounted Market Sales Housing. The total value of the 3,005 affordable homes we built in 2017 was £348 million (2016: £262 million).
- We contributed £64 million in 2017 to local communities through planning contributions (2016: £65 million).
- The Persimmon Charitable Foundation donated £748,842 to good causes in 2017 mainly through our Healthy Communities and Community Champions campaigns. The Foundation will donate a further £335,000 to the finalists of our Healthy Communities initiative in March 2018.

Affordable homes delivered

3,005

2016: 2,448

Investment in new community facilities

£64m

2016: £65m



OUR APPROACH AND LINK TO BUSINESS STRATEGY

Our approach to managing sustainability focuses on five key themes: Our Customers; Our People; Our Wellbeing; Our Environment; and Our Communities.

By organising our sustainability strategy into these five themes, we ensure that our work addresses the requirements of our stakeholders and is closely linked to our strategy of creating superior sustainable shareholder value over the long term, by delivering well designed quality homes to meet customer demand.

We engage regularly with our stakeholders in a variety of ways to listen to their key messages and, where appropriate, adapt our strategy and operational practices accordingly. The matrix summarises how we have engaged with each of our main stakeholders.

OUR STAKEHOLDERS	HOW WE LISTEN	WHAT THEY TELL US	WHAT WE ARE DOING
Customers	<ul style="list-style-type: none"> • HBF Customer Satisfaction Survey • Construction clinics • New home demonstrations and courtesy calls 	<ul style="list-style-type: none"> • High 3* on average • The post-handover process would benefit from increased focus • Customers want frequent communications throughout the sale and build process • Customers would like a more flexible service from our customer care teams 	<ul style="list-style-type: none"> • Implemented further improvements to customer care processes Groupwide • Improved communication from the point of reservation to completion • Linked a proportion of senior staff remuneration to our customer care results • Introduced 'out of hours' opening of customer care departments
Employees	<ul style="list-style-type: none"> • Chairman's dinners • Regional Board meetings and site visits • Local management meetings • Exit interviews 	<ul style="list-style-type: none"> • Staff retention is a challenge industry wide • Volume of administration is high (site management) • Site managers would like more training • A lot of time spent recruiting 	<ul style="list-style-type: none"> • Increased training in recruitment for line managers • Digital site communications introduced to aid administration • Formalised site management training programme • Revised procedures for new starters launched
Communities	<ul style="list-style-type: none"> • Pre-planning and application stage consultations • Employ local people who are aware of community needs • Fundraising support for local community groups 	<ul style="list-style-type: none"> • Support local investment and facilities • To be positive and responsive to the views of local people • Supporting local clubs and charities enables those charities to contribute to the communities in which we build 	<ul style="list-style-type: none"> • Local priorities are considered, understood and where possible integrated into our schemes from the outset • Improved our ongoing communications with local communities with better use of technology • Continuing our Community Champions Campaign and created the Healthy Communities Campaign



OUR APPROACH AND LINK TO BUSINESS STRATEGY

continued

OUR STAKEHOLDERS	HOW WE LISTEN	WHAT THEY TELL US	WHAT WE ARE DOING
Suppliers	<ul style="list-style-type: none"> • Visits and meetings • Tendering process • Supplier due diligence survey 	<ul style="list-style-type: none"> • Collaboration for mutual benefit • Want to work together to improve product sustainability • Increased cost pressure from high demand and weak Sterling 	<ul style="list-style-type: none"> • Work with suppliers to mitigate cost increases • Ongoing meetings with suppliers to discuss improved product and packaging design • Maintain dialogue regarding Modern Slavery
Government, regulators and industry bodies	<ul style="list-style-type: none"> • Participate in industry meetings with ministers • Meetings with planners • Regular dialogue with HSE 	<ul style="list-style-type: none"> • Housebuilders must ensure speed of build is increased • Want locally tailored benefits for new developments • Quality and quantity are important 	<ul style="list-style-type: none"> • Increased use of Space4 timber frame system to support the delivery of more homes over a shorter build period • Interaction with ministers to explain constraints on housebuilding and to design best support products for customers • Ensure planning discussions have full local input at an early stage
Shareholders	<ul style="list-style-type: none"> • AGM • Corporate Governance meetings • Regular individual institutional shareholder meetings and specific consultations • Feedback from our website 	<ul style="list-style-type: none"> • Preference for a diverse Board composition • Remuneration must be appropriate, performance related and linked to strategy • Preference for a sustainable dividend through the cycle 	<ul style="list-style-type: none"> • Continued regular communication with shareholders • 110p dividend modelled to be sustainable through the housing cycle with additional returns as appropriate • Careful analysis of Board skills before each appointment



To read more about governance and the key sustainability risks we have identified please click on the links below:

[Governance](#)
[Key sustainability risks](#)

Our Customers

2017 PERFORMANCE

Number of homes sold

16,043

2016: 15,171

% of private sales below £200,000

43%

2016: 48%

Average selling price

£213,321

2016: £206,765

NHBC Customer Satisfaction rating



2016: ★ ★ ★ ★ ★

Number of operating businesses

30



OUR CUSTOMERS

Building homes to meet market demand

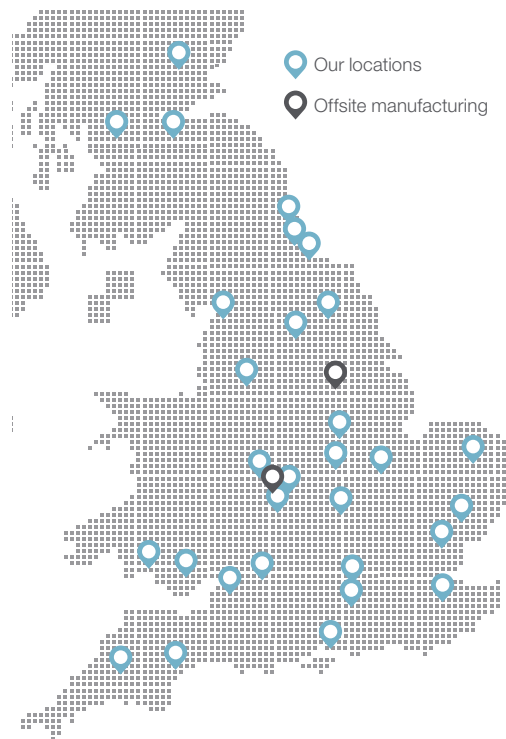
At the heart of our business strategy is a commitment to build homes to meet market demand across the UK.

Homes sold

16,043

2016: 15,171

OUR OPERATING BUSINESSES



In response to the UK's housing shortage, the Government has introduced a number of initiatives with the aim of increasing supply and delivering 300,000 homes per year by the mid-2020s. These include total financial support of £44 billion over this period; introducing planning reforms that will boost the amount of land available for housing as well as making more efficient use of underused land; and providing over £200 million towards innovation and skills in the construction sector. The Government has committed to fund the Help to Buy scheme – which provides financial support to house buyers – until at least 2020 and, in November 2017 reduced stamp duty for first-time buyers, which may provide support for them to enter the market.



At the heart of our business strategy is a commitment to build homes to meet market demand across the UK. Consequently, we welcome these initiatives and believe we have a major role to play in helping people buy a home. In January 2017, we opened a new operating business in Mansfield to support the delivery of increased volumes of new homes in this regional market. We opened a further operating business in Suffolk in January 2018, increasing our network of operating businesses to 30. This network is one of our major strengths. It ensures a deep understanding of the requirements of our customers, local authorities, housing associations and other stakeholders in the communities in which we build. During 2017 we have also strengthened our offsite manufacturing capabilities which will underpin our ability to increase housebuilding volumes.

Since the launch of our Group strategy in 2012 we have made a significant contribution to increasing UK housing supply by opening 1,189 new selling outlets and delivering 80,726 new homes to the market during which time we have increased our annual production by over 70%.

OUR CUSTOMERS

Commitment to delivering accessible and affordable homes

A strategic priority for the Group is to provide a range of homes to suit different customers, particularly first-time buyers and first-time movers, in desirable locations and with a focus on good affordability.

We focus on offering new homes for our customers, particularly first-time buyers and first-time movers in desirable locations with a focus on good affordability. We provide a comprehensive range of homes and our average selling price during 2017 was £213,321. 43% of our private new homes were sold for £200,000 or less. The average price of a home in the UK in December 2017 was £227,000*.

The Government's Help to Buy shared equity loan scheme is continuing to enable greater access to the owner occupier market, principally for first-time buyers, by supporting the purchase of a newly built home with a 5% deposit. In October 2017 the Government announced a further £10 billion of funding for this scheme. Mortgage lenders are also keen to support these customers and offer the most favourable interest rates on loans associated with this scheme. During the year we sold 7,682 new homes to customers who elected to use this Government sponsored scheme. The recent cut in stamp duty by the Government in November 2017 may also provide support for first-time buyers to enter the market.



We delivered 2,769 homes to housing associations in 2017 (2016: 2,218), plus a further 236 homes to private customers using Discounted Market Sales Housing which is sold at a discount of around 20-30% below the local market value. The discount stays with the property in perpetuity and these homes can only be purchased by customers who meet eligibility criteria set down by local councils. Overall we sold 3,005 affordable homes in 2017 representing just under 19% of our sales during the year, helping to support social inclusion within the local communities we serve.

To assist buyers navigate the complexities of the mortgage market and provide advice on the various Government schemes designed to make homes more accessible we maintain a panel of recommended independent mortgage advisors. We also seek to provide strong support to existing home owners to achieve their move into a newly built home. We offer Part Exchange facilities to remove the worries that can accompany the uncertainties associated with home buying chains.

19%

Percentage of affordable and social homes as a proportion of total homes sold (%)

2017	19%
2016	16%
2015	15%
2014	17%
2013	18%

* Source: ONS

OUR CUSTOMERS

Customer care

Delivering good quality new homes with a high standard of customer service is a priority for the Group.



Scores in the HBF National New Homes Customer Satisfaction Survey (%)

2017	79.1%
2016	74.6%
2015	73.5%
2014	71.9%

We focused on three areas in 2017, which were to maintain high build quality with the increase in production; improve the service we deliver to customers in the month after they move into their new home and continue to improve communications regarding the date a customer's new home will be ready.

Although we have increased our build numbers significantly in recent years, our quality control procedures and increased use of standard house types have helped to improve our build quality. In addition, better use of IT has improved our reporting of any snagging issues in the few weeks after a customer takes possession of their new home. We monitor how quickly any issues are dealt with and we have introduced an escalation policy for any matters not resolved within required timescales. This gives management better visibility of the service we are providing to customers. In response to feedback from our customers, we have introduced maintenance appointments at weekends and 'out of hours' opening of customer care departments.

As customers often reserve their new home many months before it is completed, one particular area of importance is having an accurate move-in date. We have continued to improve our communications to customers on the expected completion date of their property, in order that they are better able to plan for their move. Our aim is to have less than 10% of our homes completed outside of 30 days of our target. In 2017, 8.2% were completed outside of this.



ONE MONTH ESCALATION PROCESS

One of the key initiatives as part of our continually developing Post Move-In process, is the commitment to deal with reported issues within 28 days.

To safeguard this and to monitor the reported issues, the system has an 'escalator' to alert in the first instance Construction Director (14 days), thereafter Managing Director (21 days) and then Regional Chairman (28 days) over a three-week cycle should our timescales not be met.

This is an automatic system generated process which reaches the senior management team each week ensuring we remain pro-active in our drive for improved customer satisfaction.

Our customer care initiatives have resulted in continued improvement in our rating scores in the HBF National New Homes Customer Satisfaction Survey. Our score to the question 'Would you recommend Persimmon to a friend?' has increased to 79.1% for 2017 (2016: 74.6%). This is just below the 80% required for the HBF to rate us a four star builder. We will continue to focus on improving our customer care during 2018. Customer care performance conditions will continue to be included in performance related pay for relevant employees aligning their interests with this focus on customer care.



OUR CUSTOMERS

Strategic objectives

STRATEGIC OBJECTIVES	ACTIONS AND MEASUREMENT	PROGRESS
<p>Ensure we satisfy and exceed customer expectations throughout the home buying process</p>	<p>In 2017 we improved our customer experience as measured by our HBF Customer Satisfaction rating:</p> <ul style="list-style-type: none"> 79.1% of our customers would recommend Persimmon to a friend (2016: 74.6%). <p>In 2018 our focus will be on continuing to improve our customer experience as measured by our HBF Customer Satisfaction rating.</p>	
<p>Continue to improve the quality of customer interaction during and following the home buying process</p>	<p>In 2017 we improved the quality and frequency of customer communication:</p> <ul style="list-style-type: none"> 97.9% of our Group Customer Journey Performance documentation was issued on time (2016: 96.1%); and we achieved our aim of less than 10% of homes being completed outside of 30 days of our target. <p>In 2018 we will continue to focus on customer communications.</p>	
<p>Continue to offer a more flexible service for our customers</p>	<p>In 2017 we introduced maintenance appointments at weekends and 'out of hours' opening of customer care departments to provide a more flexible service to our customers.</p> <p>In 2018 we will investigate expanding this service to ensure that it meets the needs of our customers.</p>	

Key:

Achieved

In progress

Missed

Our People

2017 PERFORMANCE

Number of employees

4,535

2016: 4,526

Male/female (%)

75/25%

2016: 75/25%

Number of apprentices & trainees

c. 590

2016: c. 550

Total training days delivered (excluding apprenticeships)

10,669

2016: 10,550

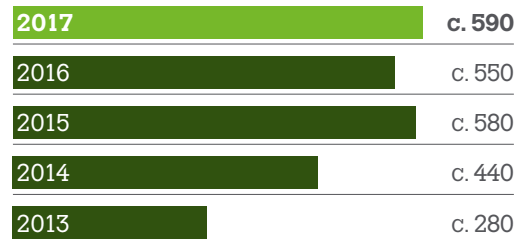


OUR PEOPLE

Skills, recruitment and training

We need a motivated workforce with the right balance of skills to deliver our plans.

Number of apprentices, trainees and graduate trainees employed each year



Persimmon

Has completed Equality in Service Delivery and is recognised as an organisation that values equality, diversity and inclusion (EDI).

This certificate is evidence of worker knowledge at the point of service delivery.

Date of achievement: 01/05/2017

equality accredited service delivery silver level



Sam Allan
General Director

Copyright © Innovatec AS. All rights reserved.
www.innovatec.co.uk

Valid for 12 months



It is important to have a healthy and productive housebuilding industry that can supply the housing needs of local communities. Over recent years, a major challenge for the Group has been to ensure we have a steady supply of skilled labour to enable us to deliver our new homes. The skills shortage is shared with the rest of our industry, but our focus remains one of ensuring we have a motivated workforce with the right balance of skills to deliver our plans.

We have addressed this skills challenge through our continuing commitment to apprenticeships and ex-forces trainees, which has been augmented this year by recruitment of diploma students from colleges (some of whom joined us as part of our commitment to the Home Building Skills Partnership (see below)), enabling us to maintain our supply of new skilled talent onto our sites. Persimmon's culture is to reward ability, hard work and loyalty. We aim to understand what motivates our employees and how their valuable insights about the business can be used to improve our performance. In addition to the dialogue that takes place during the normal course of each day, where colleagues are encouraged to share their views with managers, we host a series of Chairman's dinners at each of our operating businesses. These dinners are an informal opportunity for the Board to reiterate key messages to senior staff at our local businesses and thank them for their hard work. It is also an opportunity for employees to offer feedback and ask questions of senior management.

In 2017, Persimmon was reaccredited by Innovatec AS at the Silver Level for Equality in Employee Management and Service Delivery. This accreditation has been awarded to the whole Group and is external confirmation of our commitment to ensure our staff and customers are treated with dignity and respect.

Persimmon is a strong supporter of the Home Building Skills Partnership (HBSP), a joint initiative of the Construction Industry Training Boarding (CITB) and the Home Builders Federation (HBF). The HBSP aims to address the shortage of skilled workers by attracting new entrants to the home building sector, providing focused training to develop the workforce and fostering closer working relations between developers and their supply chains. Persimmon is a signatory of the Home Building Skills Pledge, which contains specific commitments relating to industry collaboration, training standards, diversity and inclusion and promoting careers in the sector.

As part of our support of the HBSP, Persimmon participated in a pilot project to take trainees from Further Education colleges and put them through a 'boot camp' where they obtained some practical site experience to improve their speed and accuracy; training on health and safety that gave them a provisional Construction Skills Certification Scheme (CSCS) card; and an end-point assessment to ensure they were 'site-ready'. These boot camps lasted between four and six weeks and were held in conjunction with a local college.

OUR PEOPLE

Skills, recruitment and training

continued



Jamie Hayward, one of our Combat to Construction trainees, demonstrating his bricklaying skills at Gateshead College

We currently have 127 employees on the programme of which 73 have successfully completed their training.

The quality of the C2C programme and the career opportunities Persimmon has to offer continue to be recognised by the Ministry of Defence and in 2017 the Company had its Silver Award revalidated. This award is part of the Employer Recognition Scheme, which recognises the support that employers provide to the armed forces community. Persimmon continues to be an approved employer, working closely with the Career Transition Partnership. Further evidence of the success of the initiative is the high number of applications we continue to receive from service personnel.

COMBAT TO CONSTRUCTION (C2C)

C2C, Persimmon's initiative to utilise the skills and knowledge of former members of the UK's armed forces, continues to develop. Persimmon works closely with Gateshead College who provide all the formal offsite training and onsite assessment of these trainees. The College has an 'Outstanding' assessment from OFSTED and its facilities and expertise in the construction sector provide the ideal environment for participants in the scheme. Completion of the course results in an NVQ Level 2, an apprenticeship in their chosen discipline and a rewarding career with Persimmon.



Richard Latham, Group HR Director accepting the ERS Silver Award from Lord Lieutenant of South Yorkshire, Andrew Coombe

The pilot scheme is fully funded by the HBSP and the trainees will receive onsite assessment to complete their Level II NVQ, which will enable them to obtain a Skilled Worker CSCS card. So far, we have provided employment to 13 candidates from the pilot, more than any other homebuilder.

A further example of Persimmon's support for innovation in training and development has been our support for the development of a National Occupational standard for timber frame installation. Persimmon has been at the forefront in increasing the use of offsite manufacturing on its developments by utilising timber frames provided by our Space4 factory. This method of construction speeds up build times considerably.

However, the installation of timber frames on site is generally carried out by joiners. In England and Wales there is not an apprenticeship in existence for timber frame installation but an Apprenticeship Trailblazer Group is now being established and Persimmon will take the lead in conjunction with the CITB, Leeds College of Building and other homebuilders and timber frame employers, to establish a new apprenticeship standard.

Number of training days delivered annually

2017	10,669
2016	10,550
2015	10,212
2014	7,911
2013	4,400

OUR PEOPLE

Skills, recruitment and training continued

Natasha is an example of how a trainee role with Persimmon can offer an excellent career for someone with no previous experience of our industry. Our training programmes provide a stable foundation, but the real success comes from an individual's drive and determination, attitude to learning and desire to succeed. Natasha is testament to the fact that there are no limits to how far someone can progress if they grasp their opportunity."

Jeff Fairburn
Group Chief Executive

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. Nominations for the four awards are made by the Group's operating businesses with the finalists in each category attending a special awards ceremony.



The Young Achiever 2017 was Natasha Stevens, from Persimmon Homes Thames Valley. She also received the award for Sales Trainee of the Year. Natasha joined Persimmon as a trainee sales advisor in July 2016 having previously worked for a national fitness group and British Airways.

The highlight of her career to date was promotion to Trainee Sales Manager and, shortly afterwards, launching her first site at Amblehurst Green, Billingham. She is now responsible for four developments.

In addition to Natasha, the other young people recognised this year were:

- **Trade Apprentice of the Year** – Dylan Butcher from Persimmon Homes Anglia
- **Business Trainee of the Year** – Jordan Pritchard, Persimmon Homes West Wales
- **The Duncan Davidson Award** (which recognises young people with the same entrepreneurial flair and spirit demonstrated by Persimmon's founder) – Curtis Allison from Persimmon Homes Severn Valley



I was so surprised to be named overall Young Achiever. I have always had a strong interest in the property market. When the opportunity came to join Persimmon I jumped at it. The training programme offered me the chance to learn the industry while gaining experience on site. It built my confidence and helped me become, I would like to think, a successful sales advisor."

Natasha Stevens
Young Achiever 2017



OUR PEOPLE

Strategic objectives

STRATEGIC OBJECTIVES	ACTIONS AND MEASUREMENT	PROGRESS
<p>Aim to be the industry destination of choice for graduate, trainee and apprentice recruitment</p>	<p>In 2017 we:</p> <ul style="list-style-type: none"> maintained the supply of new talent onto site by recruiting diploma students from colleges in addition to our apprenticeship programme; and recruited Apprentice Masters in many of our operating businesses. They provide onsite training to our new recruits to enable them to make the transition from college to work. <p>In 2018 we will continue to recruit a wide range of apprentices and trainees to ensure we maintain the supply of new entrants to the industry, particularly with regard to site-based skills.</p>	
<p>Consolidate our position as one of the UK's leading employers of ex-military personnel and adult up-skilling</p>	<p>In 2017:</p> <ul style="list-style-type: none"> we saw the 100th graduate from the Combat to Construction programme; and our ERS Silver Award was revalidated by the MoD for our commitment to the armed forces. <p>In 2018 we will continue to recruit from the pool of experienced candidates who are seeking a career change, be they from the armed forces in our Combat to Construction programme, or from other sectors through our Up-skill to Construction initiative.</p>	
<p>Continue to demonstrate commitment to equality and diversity throughout the business</p>	<p>In 2017 we maintained accreditation for our approach to equality, diversity and inclusion in Employment and Customer Service.</p> <p>In 2018 we will ensure this accreditation is maintained.</p>	

Key:

Achieved

In progress

Missed

Our Wellbeing

2017 PERFORMANCE

Number of worker related RIDDORs in our housebuilding operations

49

2016: 47

Number of legal completions per RIDDOR

330

2016: 327

Construction Skills Certification Scheme (CSCS) Card holders

96%

2016: 95%

Number of Group Health and Safety department pro-active site inspections

5,776

2016: 5,638

Total health and safety training days

7,617

2016: 7,989





OUR WELLBEING

Plan, Do, Check, Act

Ensuring the wellbeing, health and safety of our employees, workforce and customers is one of the top operational priorities for the Group. Persimmon is committed to being proactive in striving to reduce the health and safety risks associated with all the work activities we undertake.

Number of worker related RIDDOR reportable accidents in our housebuilding operations

2017	49
2016	47
2015	47
2014	41
2013	48

Number of RIDDORs per 1,000 workers in our housebuilding operations

2017	3.6
2016	3.6
2015	3.6
2014	3.5
2013	5.0

Training for all our directly employed personnel, including construction, sales, customer care and office based staff, is at the top of the wellbeing agenda. The Group's Health and Safety Policy and management systems detail roles and responsibilities for our employees and provide additional guidance and advice on how to meet the duties allocated to them.

Given the nature of Persimmon's operations we have identified the construction activities – including work at height, plant and pedestrian segregation, and site security/public protection which are the highest risk areas for site personnel who undertake these work activities. Our Group Health and Safety Policy and Procedures associated with construction activities provide specific guidance on how best to plan, deliver, monitor and review these operations.

Pre-start planning with designers and contractors is undertaken to identify controls so that we can remove and reduce the risks associated with construction work activities and to identify who is responsible for the management and supervision to ensure that these controls are implemented correctly at all times.

We strongly promote, to those who carry out the work, the collective and individual responsibility we all have to ensure the controls required to mitigate the risks associated with our work activities are implemented at all times. We also agree with our supply chain the responsibilities

they have to check and confirm that the work they undertake is being carried out safely.

In addition to the training and planning that is undertaken, both our Group Health and Safety Department and our operational management carry out regular monitoring and review of all our work activities in order to maintain the required standards detailed in the Group Health and Safety Policy. In 2017, the Group Health and Safety department undertook 5,776 pro-active site inspections (2016: 5,638).

Internal checks are augmented by the support of an external Health and Safety Audit provider. Each operating business within the Group is regularly audited to test the effectiveness of the local management team in implementing the construction related requirements of the Group Health and Safety Policy. The audit consists of two days of site visits followed by a day of interviews with the local managing director and department heads. 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 continual improvement in our health and safety performance levels.

Senior Operational Management also undertake regular general reviews of health and safety performance at Group Operations, Regional and Operating Business Board level whilst reviews of incident led investigation reports are carried out promptly.

OUR WELLBEING

Health and safety training

Training is provided both to our directly employed staff and our supply chain workforce and covers the risks associated with our construction operations, including sales, customer care and office based roles.

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

In addition to the more formal training detailed above, Persimmon also delivers regular Toolbox Talks for site personnel, including our supply chain workforce. The topics are agreed and delivered locally by our operating businesses and Group Health and Safety Department, based on performance monitoring findings. Details of the Toolbox Talks programme, are maintained in our operating businesses' Health and Safety Action Plans.

The Group Health and Safety Department delivers training to senior management that focuses on the importance of leadership in setting the right culture and standards for health and safety across the business. In 2017, a particular focus was on providing senior and project managers with additional knowledge and skills to plan, manage, monitor and review health and safety issues. The aim was to ensure that the requirements of the Group's Health and Safety Policy guidance are uniformly applied across each site and at each stage of the construction process.

The Site Inspection Help Card Booklet has been produced to provide guidance to both Group Health and Safety advisors and operating business management.

The aim of the booklet is to increase the consistency of the implementation and inspection of the Group Health and Safety Policy requirements. It is envisaged that in turn this will improve understanding between the marker and the marked and will reduce the amount of perceived subjectivity of the inspections, as well as providing site managers with objective targets to achieve.

Persimmon is currently working on a project that will eventually give site managers immediate access, via a hand-held device, to detailed advice on how to manage a range of health and safety issues. These online 'booklets' will include text, images and videos and will be continuously updated to reflect best practice.

The presentation of site inspection results has been enhanced in 2017 to allow senior management to better interrogate the performance criteria relating to specific key performance indicators (KPIs). For example traffic management is made up of a number of performance criteria, i.e. pedestrian/vehicle segregation, provision of pedestrian walkway etc. The new reporting process will further detail which performance criterion is contributing the most to traffic management issues.



Effective Leadership and Behavioural Attitudes

During 2017, we provided managers with a programme of training to improve Effective Leadership and Behavioural Attitudes. This was designed by Persimmon and the CITB with the latter's training unit responsible for its delivery. The overall aim was to improve our understanding and compliance with the requirements of the Construction (Design & Management) Regulations 2015.




OUR WELLBEING

Strategic objectives

STRATEGIC OBJECTIVES	ACTIONS AND MEASUREMENT	PROGRESS
<p>Continue to raise health and safety awareness amongst our directly employed and supply chain workforce</p>	<p>In 2017 we improved sharing of best practice across the Group via:</p> <ul style="list-style-type: none"> • a series of legal briefings to senior management; • the delivery of Effective Leadership and Management Training by the Construction Industry Training Board to project managers; and • the production of additional Health and Safety DVD training material for construction staff. <p>In 2018 we will:</p> <ul style="list-style-type: none"> • introduce health & safety management systems audit/review exercises that will regularly stress test the effective implementation of ‘plan, do, check, act’ processes and procedures; and • provide Group Health & Safety Policy update training that will reflect changes in industry guidance produced by the Home Builders Federation, the Structural Timber Association and the Construction Plant-hire Association. 	
<p>Provide robust operational support through our Group Health and Safety Department resource</p>	<p>In 2017:</p> <ul style="list-style-type: none"> • the site inspection data base and report process has been enhanced to more effectively interrogate and report specific performance criteria. <p>In 2018 we will:</p> <ul style="list-style-type: none"> • develop the Site Inspection Help Card booklet into an electronic hub of information which can be used to deliver inductions, Toolbox talks and Operatives Behavioural Notices. 	
<p>Strive to ensure the highest standards of health and safety across our workforce and sites</p>	<p>In 2017 we maintained the year on year Accident Incident Injury Rate per 1,000 workers remained at 3.6.</p> <p>In 2018 we will:</p> <ul style="list-style-type: none"> • undertake full reviews of the Health and Safety Plans produced by our operating businesses; and • continue the rolling programme of third-party audits. 	

Key:

 Achieved

 In progress

 Missed

Our Environment

2017 PERFORMANCE

Operational carbon footprint

30,830 tonnes CO₂e

2016: 32,599 tonnes CO₂e

Volume of greenhouse gases per home completed

1.92 tonnes CO₂e

2016: 2.15 tonnes CO₂e

Amount of waste per home completed

7.25 tonnes

2016: 6.6 tonnes

Recycling rate

92%

2016: 93%

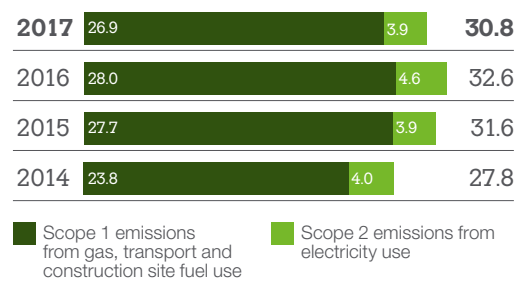


OUR ENVIRONMENT

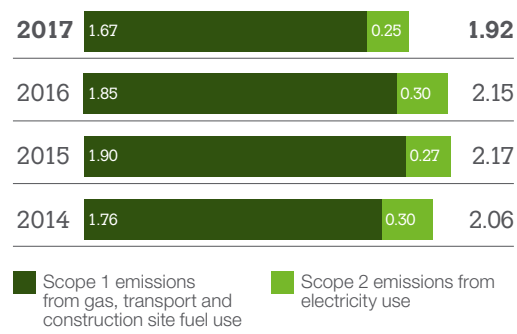
Our Operations

We are committed to managing the direct and indirect impacts that our operations and new homes have on the environment.

Our operational carbon footprint Scope 1 and Scope 2 greenhouse gas emissions (thousand tonnes CO₂e)



Operational carbon footprint per home sold (tonnes of CO₂e)



PROGRESS TOWARDS OUR EMISSIONS REDUCTION TARGET

We monitor our own operational efficiency and direct environmental impact in a number of ways including measuring our greenhouse gas (or CO₂e) emissions and the amount of waste that we generate and recycle for each home we sell.

Last year, we set ourselves the target of reducing the intensity of our carbon emissions by 10% from 2016 to 2025. This target excludes our brick manufacturing plant as it was not operational in 2016. We have implemented a range of initiatives which, together with a 15% reduction in the emissions conversion factor for grid electricity, have helped us to reduce our greenhouse gas emissions by 5.4% since 2016. When combined with the increase in homes sold in 2017, the intensity of our emissions has reduced from 2.15 tonnes CO₂e per home sold in 2016 to 1.92 tonnes CO₂e per home sold in 2017, a reduction of c. 10%. As a result of the progress we have made this year, we have reset our carbon reduction target and aim to reduce the intensity of our emissions by 10% from 2017 to 2026 on a like for like basis.

Our approach has embraced changes to our operational activities and procurement practices. We have sought to reduce red diesel consumption on site by introducing new equipment – including telehandlers – that are more fuel efficient while also ensuring that the most suitable plant is utilised on site which also helps reduce emissions. We have also managed to secure speedier connection to the National Grid for more of our show homes and plots and this has reduced the need for diesel powered generators. Another contributing factor has been the reduction in diesel purchased by the Group for our motor fleet. This has been partly due to a reduction in the number of employees electing to use a fuel card.

Another initiative which will reduce our energy consumption while also offering long term benefits to our customers has been our decision, in 2017, to install LED bulbs as standard in all our homes. This was prompted by the success of a similar initiative in our sales and marketing suites (see case study on page 23). Compared to incandescent bulbs LEDs last between 25–50 times longer, produce around three times the level of light intensity at the same wattage, and are four-five times more efficient. The annual running cost of an LED bulb is around a fifth that of a comparable halogen one.

OUR ENVIRONMENT

Our Operations

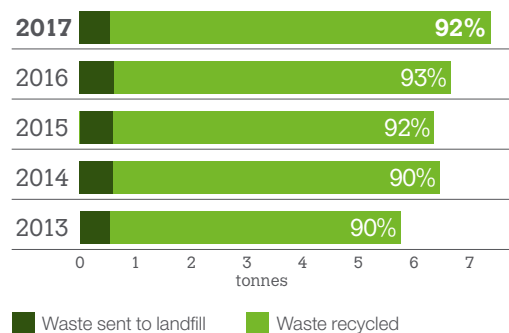
A further project, commenced in 2016, which has helped us to control our costs and reduce emissions involved the replacement and reduction of the print and copy devices within the Group. This initiative has resulted in a 43% reduction in the number of printers and copiers throughout the business. At the same time, all new devices are compliant with external standards relating to energy efficiency. Print management controls introduced in 2017 have reduced waste paper by around 360,000 sheets – equivalent to 43 trees or 4.5 tonnes of CO₂.

During 2017 the percentage of waste we recycled remained broadly similar to 2016 at 92% (2016: 93%) thereby minimising the amount of waste sent to landfill despite the amount of waste per home built increasing to 7.25 tonnes (2016: 6.6 tonnes). We are investigating the key reasons for the rise in waste generated per home built with a view to identifying further opportunities for reduction.

CLIMATE CHANGE

Climate change represents a significant and immediate challenge to the wellbeing of society, the environment and the economy. It requires concerted, collaborative responses from governments, business and other stakeholders. Persimmon’s contribution to these efforts is twofold. First, we seek to minimise the carbon emissions resulting from our business operations and those of our supply chain. At the same time, we are constantly looking at ways to reduce the lifetime emissions arising from the homes we build. Secondly, we focus on how to mitigate the actual and potential impacts of climate change. This entails ensuring that these impacts are systematically considered during the planning, development and building process and how best to address them. Throughout, we work closely with planning authorities and other statutory bodies to identify and implement the most effective counter-measures. For example, we use Sustainable Urban Drainage Systems and other technology to address the risks of flooding caused by changes in weather patterns.

Waste generated (tonnes) per home sold and percentage recycled (%)



In recent years we have converted all the lighting in c. 375 sales and marketing suites to LED bulbs, in each case replacing halogen bulbs with LED equivalents. The table below shows the resultant saving in kilowatt hours, which reduced our emissions by 184 tonnes of CO₂e.

	Per suite based on 2,100 hours use annually	375 suites
Electricity consumption based on 16 50W halogen bulbs (kWh)	1,680	630,000
Electricity consumption based on 16 8.5W LED bulbs (kWh)	286	107,100
Total saving (kWh)	1,394	522,900

OUR ENVIRONMENT

Offsite manufacturing – Brickworks

BRICKWORKS

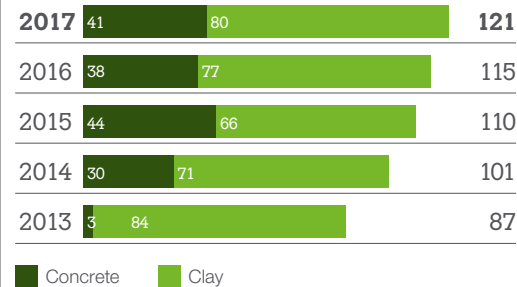
Persimmon’s use of concrete bricks on its developments has increased over recent years, accounting for 34% of our total consumption of 121 million bricks in 2017. Concrete bricks are easier to make and require less energy during the manufacturing process.

We reported last year about our plans to invest £10 million in the creation of our own Brickworks at Harworth, Nottinghamshire. This decision was heavily influenced by recent constraints in the capacity of brick manufacturers to supply this important building component. Concrete brick is also beneficial as a sustainable and environmentally friendly material.

We were particularly impressed by the significant greenhouse gas emissions saving delivered by using concrete bricks in place of their clay equivalents. These benefits arise both during the manufacturing process – where a tonne of concrete bricks produces only 150 kg of CO₂e compared to the same quantity of clay bricks which produce 250 kg of CO₂e – and over the course of their lives as they are an absorber of carbon dioxide due to the re-carbonisation properties of concrete. In addition, concrete bricks are 100% recyclable and can be crushed for re-use as aggregates.

Our Brickworks is one of the most advanced in the UK, with the potential to produce around 80 million bricks each year which is around two thirds of our current requirements. The plant’s location benefits from excellent transport links and access to local raw materials. It utilises the latest machinery, which allows for high levels of automation and will provide employment for 25 people. The output will be of a consistently high quality, available in a range of colours, and 100% recyclable.

Volume of clay and concrete bricks used annually by Persimmon (million bricks)



Persimmon’s Brickworks at Harworth, Nottinghamshire

OUR ENVIRONMENT

Offsite manufacturing – Space4

SPACE4 MODERN METHOD OF CONSTRUCTION

Space4's fabric first approach – which focuses on improving the environmental performance of our homes by designing the energy efficiency into the building structure – is an important contributor to our overall construction capacity.

space4...

...fast-track construction system

More widespread adoption of offsite manufacturing could provide extensive benefits for the UK, both in terms of improved environmental performance and to reduce construction times. The use of modern methods of construction, including offsite manufacturing, has been endorsed by the Government and has also been supported by the Farmer Review of the UK Construction Labour Model.

Space4 produces highly insulated wall panels and roof cassettes as a 'fabric first' approach to the construction of new houses. It is one of the largest offsite manufacturers of timber frame housing in the UK, with a manufacturing output of one new home every hour.

During 2017, Space4 supplied over 6,450 timber frame house kits and insulated roof systems to the Group's operating businesses, a 17% increase on the prior year. Space4 also started to supply our operating businesses in Scotland during 2017, which is an important milestone for the business.

Since its launch in 2001, the Space4 system has delivered over 46,000 new homes to the market and has made an important contribution to the Group's volume growth.

The direct and indirect environmental benefits of Space4's technology are considerable. Not least of which is the use of timber, all of which is purchased from certified and sustainable forests, rather than other less sustainable building materials. Furthermore, constructing timber frame housing uses less heavy machinery, reducing our energy consumption and related greenhouse gas emissions.

Our customers benefit from the Space4 factory produced homes which consist of closed panel insulated walls which enhance air tightness and acoustic performance. They also have lower energy costs than much of the existing housing stock due to being more energy efficient. All of these benefits are highly valued by our customers.

Space4's 'Room in the Roof' product which provides a fully self-supporting, pre-insulated roof, gable and party wall solution is also being used increasingly on our two and a half story properties. This product improves the speed of build and significantly reduces the man hours worked at height on our developments.

**Before and after**

Diagram (left) showing how the Space4 frame and panels are used as the basis for one of our new homes (right)

In addition to the benefits for our customers there are additional benefits to Persimmon. The timber frame construction methodology allows a more consistent build quality and a more streamlined construction process meaning that the houses are built in less time than a traditional brick and block house. The process is also less susceptible to delays caused by adverse weather conditions, and given the current constraints in the labour market, importantly, it reduces our reliance on bricklayers.

The Space4 team continue to look at ways of improving both the efficiencies of the factory and onsite production methodologies. In 2017 the specification of the wall panels was reviewed and further enhancements were made which has increased the output capabilities of the factory by over 10%.

OUR ENVIRONMENT

Sourcing responsibly

We have many thousands of suppliers to our business all of which are assessed on a number of factors such as quality, cost, availability and sustainability credentials. Where possible, we aim to source locally.

All of our suppliers sign up to our Supplier Principles. We directly engage with suppliers in order to collaborate for mutual benefit. Through our engagement we work with our suppliers, particularly those with whom we have long term relationships, to develop more sustainable ways of trading. For example, through fewer deliveries, less packaging, greater efficiencies and less waste.

**AkzoNobel Paints**

Following a careful assessment of the merits of products from different suppliers, Persimmon has decided to use paints manufactured by AkzoNobel for all interior decoration in its homes. As well as being an excellent product, a key factor in the decision was that these paints will be produced at the company's new plant in Ashington, which has good sustainability credentials. Among the many features that underpin the plant's sustainability credentials are the use of renewable energy generated from a biomass boiler and photovoltaic cells; advanced production methods that reduce Volatile Organic Compound emissions by 75% compared to the facilities it has replaced; and a target of 100% water reuse and 90% reuse of solvents.

MODERN SLAVERY

Responsibility for the Group's compliance with the Modern Slavery Act 2015 rests with the Board.

During 2017, the Group's modern slavery risk assessment was reviewed. It was considered that the processes and procedures in place within our own business to prevent modern slavery and human trafficking were generally appropriate given the Group's low level of overseas exposure. However, it was considered that further interrogation of our supply chain would be appropriate. In order to gain a better understanding of the Group's supply chain and to identify any specific areas of concern a supplier due diligence survey was issued to all of the Group's current suppliers regarding modern slavery in January 2018. The Committee will be reviewing the responses to this due diligence in 2018. The Group's internal controls regarding eligibility to work in the UK were also strengthened during the year.

**Birdboxes**



As part of our commitment to minimising ecological impacts and providing net gains in biodiversity, where possible, our new developments make provision for bird boxes. These are sourced locally wherever possible and are provided on a number of new homes as part of biodiversity enhancement plans for new developments.

We also use a new swift box which provides a bird home in 'a brick'.




OUR ENVIRONMENT

Strategic objectives

STRATEGIC OBJECTIVES	ACTIONS AND MEASUREMENT	PROGRESS
<p>Continue to manage our carbon emissions effectively</p>	<p>In 2017 we participated in the Carbon Disclosure Project and improved our rating from D (Disclosure) to C (Awareness).</p> <p>In 2017 we reduced the amount of CO₂e produced per home sold by c. 10% to 1.92 tonnes (2016: 2.15 tonnes), and we have therefore already achieved our carbon reduction target.</p> <p>In 2018 we will:</p> <ul style="list-style-type: none"> • continue to participate in the Carbon Disclosure Project; and • reset the target to reduce the intensity of our carbon emissions by 10% over 10 years from 2017–2026 on a like for like basis. We will investigate ways to achieve this reduction including extending the use of LED bulbs to all of our show homes and continuing to replace older plant and machinery with newer, more energy efficient models. 	
<p>Increase our use of sustainable concrete bricks as an alternative to clay bricks</p>	<p>In November 2017 production began at Persimmon's Brickworks and by the end of the year deliveries of bricks to site had commenced.</p> <p>In 2018 at least one third of our bricks will be concrete.</p>	
<p>Continue to investigate and invest in the use of offsite manufacturing</p>	<p>In 2017 Space4 increased the volume of timber frame house kits and insulated roof systems supplied to the Group's operating businesses by 17% to over 6,450 (2016: c. 5,500).</p> <p>In 2018 we will:</p> <ul style="list-style-type: none"> • continue to investigate the further development of the Space4 build process and expand production; and • establish Tileworks, a new roof tile manufacturing facility based at our manufacturing hub in Harworth. 	

Key:

 Achieved

 In progress

 Missed

Our Communities

2017 PERFORMANCE

Number of affordable homes delivered

3,005

2016: 2,448

Community investment

£64_m

2016: £65 million

Persimmon Charitable Foundation – donations

£748,842

Value of affordable homes delivered

£348_m

2016: £262 million



OUR COMMUNITIES

Investing in our communities

We believe close collaboration with planning authorities and engagement with local communities is intrinsic to the delivery of much needed new housing and the creation of successful and sustainable developments.

By understanding local needs we can refine our plans and ensure the right mix of properties is constructed. Before any development we consider what measures we can take to mitigate our impact and enhance local infrastructure – such as transport, education, retail and recreational facilities.

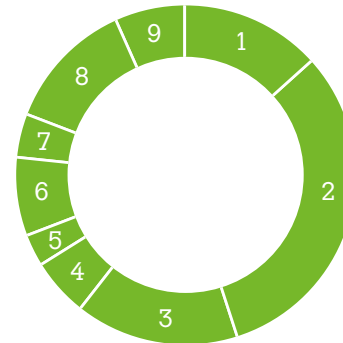
Our land replacement processes focus on acquiring new land in attractive locations where demand for homes is high. These sites give customers access to a full range of services and variety of house types aligned to local need. The Group’s developments are designed to promote social inclusion, incorporating housing for families with a broad span of incomes. In 2017 we provided £321m of housing to housing associations and a further £27m of homes to private customers using Discounted Market Sales Housing. Overall we provided £348m of affordable housing for lower income families (2016: £262m).

We understand that the process of development and the consequences of investment decisions have a lasting effect upon local communities. The delivery of new homes comes with the responsibility of ensuring that the impact upon the lives of new and existing residents is understood and mitigated. Under the planning process, we invest in local communities in many forms, such as parks and public open space; education provision, community buildings and roads and other infrastructure, either through direct construction or through financial

contributions to local authorities. During 2017 we contributed over £64m to local communities (2016: £65m) through planning contributions to local authorities. Of the money contributed over £20m related to education provision and £8 million related to affordable housing provision.

£64m

Community investment



1	Offsite contribution to affordable housing	13.4%
2	Education	31.8%
3	Public Transport	15.4%
4	Public Open Spaces	5.6%
5	Leisure Facilities	3.2%
6	Highways	7.5%
7	Community Buildings	4.1%
8	Future Maintenance	12.4%
9	Other	6.6%



Forge Wood Primary School, Crawley

The new primary school at Forge Wood – a joint venture development involving Persimmon, Taylor Wimpey, the Homes and Communities Agency and local authority, Crawley Borough Council. In addition to this new school (which cost in excess of £5 million with two thirds of the total paid by Persimmon), community benefits will include extensive open spaces, woodland walks, retail areas, commercial buildings, a sports pavilion and cricket pitches, a community building, and medical centre.

OUR COMMUNITIES

Development process and community engagement

Our approach towards delivering high quality developments for our customers that integrate effectively with existing communities is key to our success. This is a continuous process carried out across all our operating businesses and underpins our local investment decisions.



1. IDENTIFICATION

Ensuring we have sufficient immediate and strategic sites to sustain and grow our business



2. ACQUISITION

Ensuring we have the necessary control and confidence to progress our sites through the planning system



3. PROMOTION

Ensuring we can prove the deliverability, sustainability and benefits that the scheme will bring with it



4. CONSULTATION

Prior to the formal planning application stage we engage proactively with local communities and listen to their voice



5. PLANNING PERMISSION

Ensuring we fully explain consultation outcomes and integrate these as part of the planning determination process



6. DELIVERY

Ensuring we complete each site as quickly as possible whilst ensuring quality standards are met



7. HOMES

Ensuring we have happy customers by delivering high quality homes to be proud of on time



8. AFTERCARE

Ensuring our customers' journeys continue and our homes help to create the lifestyle they hope for



4.1 DETERMINE NATURE OF CONSULTATION

Factors to consider include history of site, scale of development and specific local concerns

4.2 PUBLICISE

Communicate with local residents and key stakeholders about consultation process and timescales

4.3 CONSULT

Undertake consultation with individuals and groups through public meeting and/ or online forum

4.4 LISTEN

Identify issues and respond to stakeholders explaining how Persimmon is addressing areas of concern, including changes to proposals if required

4.5 FEEDBACK

Gather comments from stakeholders through questionnaires, surveys, other correspondence and face-to-face meetings

4.6 PLANNING SUBMISSION

Collate stakeholder comments and responses in Statement of Community Involvement which is submitted as part of planning application and available for public scrutiny

OUR COMMUNITIES

Community Champions, Healthy Communities and Persimmon Charitable Foundation

We also contribute to the communities in which we operate and build through our charitable activities.

We are pleased to report that the Persimmon Charitable Foundation made £748,842 of donations in 2017 to local community groups and good causes and to local sporting organisations mainly through our Community Champions and Healthy Communities campaigns. The Group made donations of £601,092 to the Persimmon Charitable Foundation and £63,500 to other good causes.

COMMUNITY CHAMPIONS

Our Community Champions campaign was launched in 2015 and aims to fund local good causes across the UK. Each operating business donates up to £1,000 every month to each of two local good causes to match the organisations own funding.



Representatives from 30 different charities who were beneficiaries of the Community Champions campaign met with our Chief Executive, Jeff Fairburn, at the Group's headquarters in York in June 2017. The charities included representatives from a wide variety of charities based in the Yorkshire region including; Headway which provides support to survivors of brain injuries and their families and carers, Ruddle's Retreat which enables families with seriously ill children to enjoy a family holiday together; IDAS which provides refuge accommodation and community based support for the victims of domestic abuse; and Giroscope which buys and renovates empty properties in west Hull to provide homes for those in housing need.



Persimmon Homes Lancashire helped to ensure a regional community event got off to a swinging start by donating £1,000 from its Community Champions fund. The Lytham 1940s Wartime Weekend is an annual free to attend event in support of military charities and attracts over 40,000 visitors from all over the country. The two-day event takes place every August and includes battle re-enactments, military vehicles, entertainment as well as trade stands. The funding donation from Persimmon Homes, which matches funds already raised, helped towards the event's World War II display stands.

Diane Finch, Sales and Marketing Director for Persimmon Homes Lancashire said: "We know how popular the Lytham 1940's Wartime Weekend is within the region, and therefore we're extremely proud to be giving back to the local community as well as supporting such a great event."



Open Country, based in Harrogate, is a charity which seeks to enable people with a range of disabilities to gain access to the countryside. Launched in 1990, the charity's work has been recognised by the Queen's Golden Jubilee Award for Voluntary Service and the Duke of York's Community Initiative. Transportation is a key issue for the charity and a donation from Persimmon Homes Yorkshire in November 2017 went towards the purchase of a new wheelchair accessible minibus which will help the charity to provide an inclusive and reliable service to its disabled users.

OUR COMMUNITIES

Community Champions, Healthy Communities and Persimmon Charitable Foundation continued

HEALTHY COMMUNITIES

The Charitable Foundation launched Healthy Communities in May 2017. Each of our operating businesses made a monthly donation of £750 to a local sports club or association particularly aimed at amateur sport for the under 21s. In January 2018, each business nominated three of the clubs who had applied for funding to be chosen for the list of 30 finalists who are in the competition to receive a top prize of £200,000. The winner will be the organisation which receives the most votes from the general public. Two runners up will receive £50,000 each and the other finalists will receive £5,000 each. The winner will be announced in March 2018.



Persimmon Homes Wessex made a Healthy Communities donation to Mad Dog Sport, developed by former England Rugby player Lewis Moody. Mad Dog Sport, provides rugby programmes that are integrated into the 6th form of state schools and academies. Together with boys' education they focus on the continuation of players' personal development using rugby as a foundation.

Lewis Moody MBE, CEO of Mad Dog Sport, said: "We are delighted to have received the donation to help towards buying extra kit and equipment for our programmes. Mad Dog Academies focus on grass roots players and coaches, providing them with a platform for new possibilities."



Persimmon Homes West Scotland, donated £750 to Katie Shanahan. Katie, aged 13, competes for City of Glasgow Swim Team and is a member of the Scottish Swimming Youth Development Squad.

Katie has her sights set on numerous Scottish national records for her age group and won two gold medals at the British National Summer Championships in July.

Allison Shanahan, Katie's mother, said: "Katie was absolutely thrilled to receive support from Persimmon Homes West Scotland. We are so proud of Katie's achievements as well as her drive and determination to succeed. This kind donation will be used to cover training, travel costs, accommodation, kit and nutrition for Katie."



Junior Heywood football team, Roach Dynamoses under 12s, who play in the North Bury League, were able to buy a new strip thanks to Persimmon Homes North West's Healthy Communities donation.

Kay Cloran, from the club, said: "Roach Dynamoses JFC has more than 30 teams ranging from the under six development groups to an over 60s walking team, and the sheer number of teams involved makes it difficult to attract sponsorship. We cannot thank Persimmon Homes enough for its support. The under 12s train twice a week, and this money will really help us out. We pride ourselves on providing football opportunities for children and adults with no barrier to entry."



For more information click [here](#)



OUR COMMUNITIES

Strategic objectives

STRATEGIC OBJECTIVES	ACTIONS AND MEASUREMENT	PROGRESS
<p>Continually improve engagement with local communities</p>	<p>In 2017 we undertook c. 80 community consultations and made extensive use of digital and web-based media.</p> <p>The Persimmon Charitable Foundation made donations of £748,842 in 2017 to over 900 charities and organisations largely through our Community Champions and Healthy Communities campaigns which supported community groups and sports teams in the communities where we operate.</p> <p>In 2018 we will:</p> <ul style="list-style-type: none"> • continue to improve our approach to accessible community consultation seeking to improve usability via standardised website design and fully integrated feedback processes; and • continue our Community Champions campaign. 	
<p>Continue to provide high quality and accessible housing to people locally</p>	<p>In 2017:</p> <ul style="list-style-type: none"> • just under 50% of our private sales were to first-time buyers; • just under 45% of our private sales were for less than £200,000; and • we delivered £348 million of affordable housing. <p>In 2018 we will continue to drive local affordability aligned with local housing needs and ensure sufficient range and choice is available to maximise market access.</p>	
<p>Design our new housing developments so that they create a 'good place to live'</p>	<p>In 2017 we continued to seek to align our new homes and developments with the 12 Building for Life principles that relate to the quality of place making.</p> <p>In 2017, we contributed over £64 million to local communities through the planning process.</p> <p>In 2018 we will ensure that on all new developments our planning submissions will effectively demonstrate alignment with the 12 Building for Life Principles.</p>	

Key:

Achieved

In progress

Missed

GOVERNANCE

Persimmon's business operations are conducted through our 30 housebuilding businesses which are autonomous to some extent but centrally co-ordinated overall. Ultimate responsibility for sustainability rests with our Board which is supported by the Corporate Responsibility (CR) Committee.

The CR Committee's purpose is to implement the Board's sustainability strategy across the Group, identify and assess sustainability issues that are significant for the Group both in the short and long term and monitor sustainability performance within the business. Committee membership is diverse, being drawn from all parts of operations so that there can be a close link with our business strategy. Committee members include the heads of departments of Health & Safety, Planning and Buying, the Company Secretary, an operating business Managing Director and a Divisional Commercial Director. The head of HR attends for matters related to Our People, the Group Chief Executive attends occasionally, and the meeting is chaired by Marion Sears, an independent Non-Executive Director. The CR Committee also benefits from the advice and guidance of Carnstone Partners, our external corporate responsibility advisor.

Our sustainability 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 across the Group can be shared effectively.

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

Persimmon operates an Environmental Management System (EMS) to provide a structured approach to managing environmental issues. The EMS covers all processes from land appraisal, site remediation to manufacturing and construction.

We measure our sustainability performance using a set of 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 our KPI performance data can be found on page 37 and our sustainability policies can be found on our corporate website.

Persimmon complies with the UK Corporate Governance Code 2016 and our Annual Report 2017 provides further information on our corporate governance.



For more information visit
www.persimmonhomes.com/corporate

KEY SUSTAINABILITY RISKS

Our Principal Risks are set out in our Annual Report. The table below sets out the key sustainability risks which may affect our business together with the corresponding actions we are taking to mitigate their impact. These risks are reviewed and updated on a regular basis.

RISK	IMPACT	MITIGATION	CHANGE IN 2017
Physical/weather-related risks	Changes in weather patterns and frequency of weather events, particularly storms and flooding, may increase the likelihood of disruption to our construction process.	Where appropriate we use the Group's Space4 modern method of construction which reduces the time taken to build new homes.	→
Regulatory risks	Changes to national regulations resulting in environmental and other standards which could cause additional planning delays and increase our construction and compliance costs.	We operate comprehensive management systems to ensure regulatory compliance and plan for any associated increase in costs.	→
Financial risks	Reduction in the availability of mortgages and house insurance which could adversely affect consumer demand.	We monitor lead indicators on the future direction of the UK housing market so as to manage our exposure to any future market disruption.	→
Product risk	Failure to meet increased Government and customer demands for sustainable housing.	In addition to complying with the relevant Building Regulations, our homes and developments we seek to align with the 12 Building for Life principles that relate to the quality of place as well as incorporating additional features to minimise environmental impact.	→
Supply chain risk	Inability to access key materials used in the build process either as a result of scarcity and/or their suitability from a social or environmental perspective.	We monitor how changes to regulation could increase the cost of materials and/or limit their supply. Where possible we manufacture our own components using our Brickworks and Space4 timber frames. We also seek to ensure that our suppliers comply with our Supplier Principles.	↑

Key:

- ↑ Increased risk
- No change
- ↓ Decreased risk

KEY SUSTAINABILITY RISKS

continued

RISK	IMPACT	MITIGATION	CHANGE IN 2017
Reputational risk	Failure to meet the expectations of customers, shareholders and other stakeholders.	We regularly engage with our stakeholders in order to have a clear understanding of the issues that are currently of primary concern to them over the short, medium and longer term. Our Group policies have been developed to reflect the views of our stakeholders and to ensure that they are managed and mitigated appropriately.	
Health and safety risk	The health and safety of our employees, sub-contractors, home owners and visitors to our construction sites is of paramount importance to us. Accidents on our sites could lead to reputational damage and financial penalties.	We ensure that the Board's health and safety strategy is implemented by our comprehensive management systems and controls, overseen by our Group Health and Safety Department to minimise accidents on our sites.	
Human Resource risk	Having an appropriately skilled and motivated workforce is a key requirement for the successful delivery of our business strategy. Expansion in UK housebuilding has increased demand for skilled labour which may create site resourcing shortfalls and/or increase labour costs ahead of our expectations.	Persimmon's culture is predicated on recognising and rewarding individual contribution that helps us achieve our business objective as well as keeping employees motivated. We continuously monitor our labour requirements. We operate in-house apprentice and training programmes to supply the Group with skilled labour. We are committed to playing a full and active role in external initiatives to address the skills shortage such as through the Home Building Skills Partnership.	

Key:

- Increased risk
- No change
- Decreased risk



For more information on our policies click [here](#)

KEY PERFORMANCE INDICATORS

	2013	2014	2015	2016	2017
Housing completions	11,528	13,509	14,572	15,171	16,043
Average selling price	£180,941	£190,533	£199,127	£206,765	£213,321
Our Customers					
NHBC/HBF Customer Care Standard	4 star	3 star	3 star	3 star	3 star
Our People					
Total employees	2,791	3,453	4,188	4,526	4,535
Female employees (No.)	928	1,001	1,162	1,127	1,125
Female employees %	33%	29%	27%	25%	25%
Female employees on Senior Management team %	13.5%	13%	10%	13%	13%
Training days delivered (excluding apprenticeships)	4,400	7,911	10,212	10,550	10,669
Trainees and Apprentices %	10%	13%	14%	11%	13%
Our Wellbeing					
No. of worker RIDDOR Reportable incidents in our housebuilding operations	48	41	47	47	49
RIDDORs per 1,000 workers in our housebuilding operations	5.0	3.5	3.6	3.6	3.6
HSE Prosecutions	0	1	0	0	0
HSE Enforcement notices	1	7	2	0	1
Our Environment					
Building energy use (Million kWh)	30.0	23.1	30.7	33.4	32.8
Carbon emissions (Tonnes CO ₂ e)*	14,111	27,851	31,557	32,599	30,830
Carbon emissions per home completed (Tonnes CO ₂ e)*	1.20	2.06	2.17	2.15	1.92
Average SAP rating	83	83	83	83	83
Homes incorporating renewable energy	845	1,215	1,338	1,218	901
Waste generated (Tonnes)	66,000	86,000	91,161	100,444	116,261
Waste per home completed (Tonnes)	5.7	6.4	6.3	6.6	7.3
Waste recycled %	90%	90%	92%	93%	92%
Trees planted	85,078	93,595	123,897	73,990	83,863
Trees planted per home completed	7	7	9	5	5
Our Communities					
Social and affordable homes completed**	2,121	2,256	2,147	2,448	3,005
Value of social and affordable homes delivered	–	£226m	£221m	£262m	£348m
Social and affordable as a proportion of total completions	18%	17%	15%	16%	19%
Infrastructure contributions (£m)	38.3	48.4	46.9	65.5	64.4
Charitable donations made by the Group (£)	96,000	113,000	593,000	699,000	664,500

* Totals for 2014–2017 incorporate additional energy consumption for red diesel not previously reported.

** 2016 figures include shared equity sales and Discounted Market Sales Housing. 2017 figures include Discounted Market Sales Housing.

FEEDBACK, POLICIES AND PAST REPORTS

FEEDBACK

We value your feedback on our approach to sustainability and would appreciate your comments on this report and our performance.

You can email us at feedback@persimmonhomes.com or write to:

Tracy Davison

Company Secretary
Persimmon Plc
Persimmon House
Fulford, York
YO19 4FE

POLICIES

Further information on the following policies that support Persimmon's approach to CR and sustainability can be found on our website:

- [Sustainability Policy](#)
- [Environment Policy](#)
- [Health & Safety Policy](#)
- [Persimmon Pledge](#)
- [Waste and Resource Management Policy](#)
- [Climate Change Position Statement](#)
- [Supplier Principles](#)
- [Complaints Procedure](#)
- [Human Rights Policy](#)
- [Modern Slavery Statement](#)
- [Code of Ethics](#)
- [Anti-Bribery Policy](#)
- [Tax Strategy](#)
- [Prevention of Facilitation of Tax Evasion Policy](#)

CORPORATE RESPONSIBILITY



For more information visit:
www.persimmonhomes.com/corporate/corporate-responsibility