

## Climate Change Position Statement

### Introduction

Climate change is a principal risk for the Group and a significant issue facing us all today, with more extreme weather events such as heatwaves, rising sea levels and flooding being experienced and resulting in impacts of both global and local significance. Society is more environmentally conscious with the international community and Government taking a leading role to reduce greenhouse gas emissions by setting and legislating ambitious targets for all to achieve.

As one of the UK's leading housebuilders we acknowledge our role in supporting these common aims. We understand the risks and challenges that climate change presents to our business and the wider industry. We are proactively working with all stakeholders to more effectively integrate climate change issues within our operations and ensure that sustainable improvements are managed in a pragmatic and robust manner.

We recognise that we have a key role to play in minimising our contribution to climate change, through our own operations, our supply chain and by striving to ensure that the homes and communities we build are sustainable, inherently energy efficient and encourage our customers to live in a way that minimises any impact to climate change. We are committed to working alongside all stakeholders to achieve this.

This statement sets out Persimmon plc's (the "Group") position with regard to climate change and outlines the basic principles of our approach to measure our contribution and adapt and improve our business operations.

### Understanding and managing the risks of climate change

Climate change presents a number of risks to our business. These can be broadly categorised into the following areas, which we have considered when developing our approach:

- *Physical risks:* changes in weather patterns and the frequency of extreme weather events, particularly storms and flooding may increase the likelihood of disruption to the construction process which we will need to manage effectively. Such events reinforce the importance of flood risk resilience placed upon all our development sites.
- *Regulatory risks:* increasing national regulation relating to more stringent environmental standards must be managed effectively and by working closely with others in the housing industry. We are proactively engaged in cross sector working to ensure the chosen approaches and technologies are practicable, fully sustainable and can continue to support industry growth and the increasing need for new homes.
- *Financial risks:* increasing regulation is likely to incur additional cost that we must manage effectively.
- *Product risk:* we build in sustainable locations factoring in demand and affordability as part of designing our schemes. Our range of products will continue to adapt to comply with changing regulations and addressing increased customer demands for sustainable living.
- *Supply chain risk:* increasing regulation is likely to have an impact on the cost and availability of materials and technologies within the construction sector. With our commitment to proactively engage with all stakeholders and our investment in off-site manufacturing (including

our Space4 business which utilises modern methods of construction) we are well placed to manage potential changes in a sustainable and cost effective manner.

- *Competitive risk:* climate change affects us all and the efforts needed to address it go beyond what is achievable in isolation. As such, we are engaging proactively with all stakeholders to rise to the challenge and adapt our business operations to changing consumer and regulatory needs.

The implications of these risks will be significant for the housebuilding industry and for the Group. It is important that we fully understand them and work proactively to address them in a sustainable and pragmatic way, embedding them in our business operations.

### Our responsibilities

We are committed to responding proactively and robustly to play our part in addressing and mitigating the adverse impacts of climate change on the environment and all our stakeholders. We are fully supportive of the UK Government's targets for reductions in greenhouse gas emissions and are proactively working to adapt and improve our business operations to help achieve this. We aim to reduce the intensity of our Scope 1 and Scope 2 emissions by 10% from 2017 to 2026 (on a like for like basis). We will continue to increase the sustainability of our new homes.

We believe our responsibilities fall into three key areas:

**1. *Reducing emissions from our operations: Minimising our contribution to climate change through the reduction of emissions from our operational use of energy and fuel.***

This means we will:

- Review quantitative targets for reducing greenhouse gas emissions from our operations with the aim of aligning them with the latest climate science.
- Measure, monitor and improve upon our operational energy use and emissions.
- Promote energy efficiency awareness amongst our employees and customers.
- Seek opportunities to implement measures to reduce our energy and fuel consumption.
- Procure materials in accordance with our Supplier Principles and from local sustainable sources where possible.
- Encourage our supply chain to recognise and value sustainable principles and reduce the emissions and waste associated with the goods and services they provide to us.

**2. *Building sustainable homes and communities: Building quality sustainable homes and communities for our customers that are inherently energy efficient and adaptive to climate change which encourages them to live in a way that minimises their contribution to climate change.***

This means we will continually seek to improve the sustainability and energy efficiency of the houses we build by:

- Building to the standards required by the revisions to Part L of the Building Regulations and taking a full and active role in the collaborative working necessary to achieve this in a practicable and sustainable manner-
- Seeking opportunities as part of Part L compliance, to incorporate modern methods of construction and technologies, including proven renewables, to improve the energy efficiency of our homes

- Sharing best practice of energy efficient building methods and materials across our Group operating businesses and in conjunction with collaborative work to address the revisions to Part L of the Building Regulations.
- Only installing electrical appliances with an energy rating of A or above and fully exploring alternative heating methods as part of regulatory change.
- Developing the communities we build in a way that promotes environmentally efficient and sustainable living, including green travel planning.
- Providing practical advice to our customers on how to use energy efficiently.
- Design our schemes sensitively and contextually taking account of all climate change challenges through diligent planning, a thorough assessment of environmental impacts and an effective approach to impact mitigation and environmental enhancement.

Our management data has indicated that our carbon footprint is very small when compared to the collective emissions of all the homes we build over their lifetime. Moreover, as the houses we build are lived in for many years, the greenhouse gas emissions associated with them over this period are far greater than our own operational emissions.

Whilst we will continue to seek ways to reduce our operational emissions, we believe that the most significant way in which we can contribute to reducing the impact of climate change is to build houses that are energy efficient and that encourage their occupants to live in a way that minimises their contribution to climate change.

### **Roles and Responsibilities**

Ultimate responsibility for all matters related to sustainability including our approach to climate change rests with the Board. This policy will be reviewed at least annually and amended where appropriate.

The Group's activities will be reviewed on a regular basis by the Corporate Responsibility Committee (the "CR Committee") and supported by the development of objectives and targets for the business when appropriate. The CR Committee will also maintain an overview of the issues outlined in this policy statement, and adjust our response according to new initiatives and developments within our industry on at least an annual basis.

We will engage with policy makers to develop appropriate measures for reducing energy use and carbon emissions across the housebuilding sector.

**Dave Jenkinson**  
**Group Chief Executive**  
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