SUSTAINABILITY REPORT 2021
Sustainability highlights

Sustainability is integral to how we do business. This report provides a review of our sustainability approach and performance and should be read in conjunction with our Annual Report.

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Homes built</td>
<td>14,551</td>
</tr>
<tr>
<td>Sites with Sustainable Urban Drainage</td>
<td>82%</td>
</tr>
<tr>
<td>HBF customer satisfaction score</td>
<td>92.0% (2020: 89.7%)</td>
</tr>
<tr>
<td>Homes built using timber frames from our Space 4 manufacturing facility</td>
<td>33%</td>
</tr>
<tr>
<td>Tonnes of greenhouse gas emissions per home sold</td>
<td>1.82 (2020: 2.03)</td>
</tr>
<tr>
<td>Average SAP rating of our homes</td>
<td>87 (2020: 86)</td>
</tr>
<tr>
<td>Bricks supplied to 203 sites across the Group by our brickworks manufacturing facility</td>
<td>c.45m (2020: 635 acres)</td>
</tr>
<tr>
<td>Charitable Foundation donations</td>
<td>c.£1.8m</td>
</tr>
<tr>
<td>Public open spaces and gardens provided for families</td>
<td>662 acres (2020: 635 acres)</td>
</tr>
<tr>
<td>Trees planted on our developments</td>
<td>c.143,000</td>
</tr>
<tr>
<td>Investment in local communities</td>
<td>£490m (2020: £370m)</td>
</tr>
<tr>
<td>Affordable homes</td>
<td>2,759 (2020: 2,433)</td>
</tr>
<tr>
<td>Jobs supported</td>
<td>c.92,000 (2020: 12,600)</td>
</tr>
<tr>
<td>Trees planted on our developments</td>
<td>33%</td>
</tr>
<tr>
<td>Employee engagement score</td>
<td>78% (2020: 80%)</td>
</tr>
<tr>
<td>Operational waste recycled</td>
<td>94% (2020: 96%)</td>
</tr>
<tr>
<td>Employee training days</td>
<td>c.13,200 (2020: 12,600)</td>
</tr>
</tbody>
</table>

1. Market based greenhouse gas emissions for Scope 1 and 2.
2. The Group participates in the National New Homes Survey, run by the HBF. The survey year covers the period from 1 October to 30 September. The rating system is based on the number of customers who would recommend their builder to a friend.
3. Estimated using an economic toolkit.
4. Homes provided to our housing association partners and Discounted Open Market Value homes.
I am proud that we are a national business with a local presence, working with the different needs of our communities.

DEAN FINCH
Group Chief Executive

BUILDING ON PERSIMMON’S STRENGTHS

As a responsible business, we recognise the importance of making a positive contribution to the communities we work in.

Last year we set ‘sustainable communities’ as one of the Group’s five key priorities and I am pleased with the progress we have already made. In 2021, we delivered almost 1,000 additional new homes compared to the prior year, whilst improving our build quality and customer service. I am delighted that we have achieved five-star in the annual HBF’s customer satisfaction survey for the first time in the Group’s history. We have also seen significant improvements in our build quality – our NHBC Reportable Items1 have improved by 17% over the last year and our build quality score on the eight-week HBF customer survey2 has improved by 11% over the last two survey years.

Our homes are attractively priced, with our private average selling price c. 20% lower than the UK national average3, widening the opportunity of home ownership to thousands of families who otherwise may not be able to afford it. We also delivered 2,533 homes to our housing association partners in 2021.

The safety and wellbeing of our workforce and communities is paramount and our safety record remains ahead of the industry norm, testament to our comprehensive health and safety systems, inspection regime and training programmes. We are also working across the industry to help drive up standards in crucial areas. We have, for example, signed the ‘Building a Safer Future Charter’ as an inaugural member, demonstrating our determination to drive safety improvements within our business and across the industry. We have also partnered with RoofCERT to drive the take up of this independent accreditation for roofers, holding briefings to encourage our subcontractors to take advantage of the scheme and provide greater safety and quality assurance within the industry.

Acting as a responsible developer, over a year ago, we led the industry in making a commitment to leaseholders that they would not have to pay to remove any cladding or correct fire related safety issues on any buildings we constructed. On 5 April 2022, we signed the Government’s pledge on cladding removal and fire safety remediation. Our Special Projects Team, established to complete these works as quickly as possible, are proactively engaging with building owners and Management Companies and providing technical and financial support where appropriate.

COP 26 in November 2021 reinforced the urgency of the global climate emergency and the importance of setting meaningful and ambitious greenhouse gas emission reduction targets consistent with the global efforts to mitigate the impact of climate change. We have continued to ensure climate risk resilience is embedded in the business and this year have increased our Task Force on Climate-Related Financial Disclosures (TCFD) reporting by considering the impact of three different climate scenarios on our business model and strategy.

We have set stretching carbon reduction targets, which I am delighted to say have been accredited by the blue-ribbon Science Based Targets initiative. As part of a broader suite of commitments, we have made pledges to deliver net zero carbon homes in use from 2030 and net zero operations from 2040 and have put in place detailed delivery plans to achieve this. We have already taken action, switching all our offices and manufacturing facilities to 100% renewable energy last year and introducing electric vehicles into our fleet.

1. A Reportable Item is an area of non-compliance with NHBC Standards. The item is rectified fully before completion of the home.
2. The Group participates in a National New Homes Survey, run by the Home Builders Federation. The build quality score is based on how satisfied customers are with the quality of their home.
3. National average selling price for newly built homes sourced from the UK House Price Index as calculated by the Office for National Statistics from data provided by HM Land registry.
For the first time this year, we are reporting our Scope 3 carbon footprint – our indirect carbon emissions arising mainly from the materials, goods and services that we buy and our homes in use. Our vertical integration, through our timber frame manufacturing facility, Brickworks and Tileworks factories, gives us operational advantage through security of supply and increased efficiency whilst also providing a unique opportunity to reduce the carbon footprint of our homes and build more sustainably.

The homes that we deliver are already approximately 30% more energy efficient than existing housing stock, providing homes that are more economical to run for our customers. Innovation and technology play a vital role in reducing carbon emissions and energy usage even further. Building on our zero carbon demonstrator home project at Germany Beck, York, we have a number of exciting technology trials underway for 2022. In addition, we recognise the need for industry-wide collaboration to achieve Government’s ambitions to improve the energy efficiency of new build homes, for example, we participate in the Future Homes Hub, and sit on the government’s Net Zero Buildings Council.

**Mission, Vision and Values**

We have recently launched our Mission, Vision and Values. They build on Persimmon’s many strengths and our recent progress to strive even higher, to be Britain’s leading homebuilder, with core values that demonstrate how we will achieve it. The new Mission, Vision and Values further embed the five key priorities I announced in March last year – which included sustainability – into how we operate as a business.

Our Mission is simple: to build homes with quality our customers can rely on at a price they can afford.

Our Vision is to be Britain’s leading homebuilder, with quality and customer service at its heart, building the best value homes on the market in sustainable and inclusive communities.

Our well-defined sustainability approach is an integral part of our pathway to deliver on these ambitions. Building high quality homes for our customers in sustainable and inclusive communities is at the heart of what we do. We have developed a ‘Placemaking Framework’, giving our developments an improved sense of ‘place’ through delivering high quality, well planned and designed locations which focus on social value and wellbeing. In addition, we are appointing a Group Biodiversity Manager who will integrate biodiversity net gain into all of our developments. Social impact is one of our values, and we aim to leave a legacy that delivers economic, social and environmental value to the communities we build.

Teamwork is another of our values, embracing diversity and new ideas. Last year we set ourselves challenging diversity targets and we are creating our roadmap to achieve them. We commissioned a Diversity & Inclusion Review and the outcomes will set a clear strategy for improving our diversity and inclusion across the business.

I am proud that we are a national business with a local presence, working with the different needs of our communities. Our Charitable Foundation has donated £1.8m to around 900 charities and community groups this year, and all of our 31 operating businesses actively engage supporting local, grass root initiatives in the communities in which we operate.

The sustainability agenda and the expectations of our stakeholders continue to increase, and operating as a responsible business has never been more important. Our sustainability strategy provides strong direction, and I am pleased with the progress we are making. We are determined to continue to build on this and will be focussed on delivering our sustainability objectives through the coming year.
UPDATE FROM THE SUSTAINABILITY COMMITTEE

The Group’s Sustainability Committee is responsible for developing and overseeing the sustainability strategy, policies and objectives.

Our Governance approach
Reporting directly to the Board, the Sustainability Committee is chaired by the Group Chief Executive, Dean Finch and includes the Group Strategy and Regulatory Director, the Company Secretary and Group Sustainability Director. The Group Sustainability Director is a newly created position to strengthen our capabilities in this area and with responsibility to accelerate our sustainability journey. The Committee meets on a bi-monthly basis and colleagues from across the Group are invited to meetings to discuss and present on specific issues.

Activities throughout the year
The Group has identified three sustainability pillars with separate workstreams to drive our sustainability agenda. Each workstream is led by relevant senior operational management and is attended by the Group Sustainability Director. For example, the Zero Carbon Home Steering Group, chaired by the Group Technical Director, is developing the most effective pathway to develop net zero carbon homes at scale. Working with organisations including the Carbon Trust during the year, a key area of focus for the Sustainability Committee has been overseeing the route-map to deliver our science based carbon emission reduction targets.

The Committee received updates during the year from: the Group Health & Safety Director, regarding matters including the Group’s injury incidence rate and programme to prevent modern slavery, the Group Construction Director, regarding matters including Building Safer Futures, external audit and digitalisation, the Director of Talent and Diversity, regarding setting a comprehensive diversity and inclusion strategy for the Group and the Group Internal Audit Manager, regarding matters including the internal audit of environmental and sustainability issues. The Committee continues to monitor and devise the Group’s sustainability approach in relation to key environment and social issues, embedding this into day-to-day operations through monitoring the key workstreams.

Increasing transparency
We continue to increase our reporting transparency on climate risk resilience, aligned to the Task Force on Climate Related Financial Disclosure requirements, and undertook detailed climate scenario analysis this year to enable greater evaluation of risks and opportunities over different timeframes and against different temperature scenarios.

For the second year we have reported against the Sustainability Accounting Standards Board (SASB) housebuilding standard.
EMBEDDING SUSTAINABILITY WITHIN THE GROUP

Process improvements and next steps
Embedding sustainability in our processes ensures effective integration into our business activities. To understand upfront risk and opportunities, a ‘Planning and Environmental Risk Assessment’ is performed for each potential new development site. This assessment considers a number of risk factors, including local housing needs, flood risk, issues of existing land contamination, water pollution, and biodiversity impacts.

Throughout the planning process, we assess the significant environmental risks for each of our potential sites and conduct full environmental impact assessments for each development we acquire. This ensures that we respect the natural environment, mitigating adverse environmental impacts and enhance biodiversity.

Continuing to deliver against our commitments and embed sustainable ways of working across our operations is a priority for the business. We will be launching our internal Placemaking Framework to our design and planning teams to support the requirements of the Government’s National Model Design Code, and provide a mechanism to embed sustainability requirements and ensure we are creating social value.

The Persimmon Way provides a Group wide consolidated approach to new home construction, and an ideal platform for including sustainability requirements.

We will be delivering detailed net zero carbon transition pathways, understanding the benefit we have from our vertical integration as part of reducing our carbon footprints, and acting upon the findings from our TCFD analysis to ensure the business is future proofed for climate risk.

A sustainability engagement and training programme will be developed to support colleagues in understanding and delivering the requirements, ensuring the strategy of the Group and sustainability efforts are aligned.

Rewarding performance
We have included an environmental metric as part of executive and management remuneration plans for 2022. The metric is being developed to support achievement of our net zero carbon and science based target commitments.

Priorities for 2022
The Group Sustainability Committee will continue to oversee the strategy and report performance to the Board, with a focus on the following for 2022:

• Progress against the science based targets and Net Zero Carbon commitments
• Waste reduction achievements
• Embedding biodiversity net gain principles into operations and decision making
• Quantifying the social impact we are having
• Progress against diversity and inclusion targets
• Continued delivery of the highest standards of safety & wellbeing for workforce and communities
• Tracking delivery of the environmental metric for remuneration awards
• Continuing to evolve our climate resilience aligned with TCFD requirements.

“Sustainability is one of our five priorities, and we already have strong foundations in place with our three sustainability pillars. My focus is on ensuring we continue to deliver against our commitments, integrate sustainability into all our ways of working, and that we remain ambitious and reflect the material issues of our stakeholders.”

FRAN LEEDHAM
Group Sustainability Director

Governance
DELIVERING ON OUR MISSION

We deliver our mission through our six strategic objectives, and our values shape our behaviours and culture.

Our mission
To build homes with quality our customers can rely on at a price they can afford.

Our vision
To be Britain’s leading homebuilder, with quality and customer service at its heart, building the best value homes on the market in sustainable and inclusive communities. We will invest in innovation and technology to extend our low cost strengths and enhance our five-star capabilities to enable as many people as possible to buy the homes we build.

Our values
Customer focused
They are our priority and we aim to build consistently high quality homes in communities where people love to live. We will earn customers’ trust by treating them fairly and with integrity.

Value driven
We will deliver the best value, high quality homes to our customers by encouraging entrepreneurship, innovation and cost-efficiency to drive industry-leading performance and competitive and sustainable returns for shareholders.

Team work
We are one team, working in an open and collaborative manner to deliver for customers and communities. We embrace diversity and new ideas and will develop the careers and reward the talents of colleagues.

Social impact
We build homes for the future in sustainable communities. We uphold the highest safety standards and leave a legacy that delivers economic, social and environmental value to the communities we build.

Excellence always
We strive to be excellent in all that we do. We relentlessly focus on providing the dream of homeownership to thousands of families by building the best value, high quality homes in the most cost-efficient manner, delivering for customers, communities and stakeholders alike.

UNDERPINNED BY OUR SUSTAINABILITY PILLARS

Building for tomorrow
We will achieve net zero carbon homes in use and in our operations, supported by carbon reduction commitments, aligned to climate science.

Transforming communities
We will positively transform communities directly connected to Persimmon’s activities.

Safe and inclusive
We will create a safe and inclusive culture focused on the wellbeing of our customers, communities and workforce.
Our sustainability strategy comprises three key pillars to drive our performance and focus. The pillars reflect our material issues and are aligned to the Group’s strategic objectives, ensuring that sustainability is a core part of the Group’s operations.

**Sustainability pillars and targets**

**BUILDING FOR TOMORROW**
We will achieve net zero carbon homes in use and in our operations, supported by carbon reduction commitments, aligned to climate science.

**TRANSFORMING COMMUNITIES**
We will positively transform communities directly connected to Persimmon’s activities.

**SAFE AND INCLUSIVE**
We will create a safe and inclusive culture focused on the wellbeing of our customers, communities and workforce.

**Link to strategy**

**SDG alignment**

**Key targets and achievements**

We have set science based carbon reduction targets for our operations and our indirect emissions (i.e. our homes in use and our supply chain).

Our targets have been accredited by the Science Based Target initiative.

We aim to be net zero for our homes in use by 2030 and in our operations by 2040.

We aim to have 50% of our homes built using timber frames from our off-site manufacturing facilities by 2025.

Our current customer satisfaction score is 92.0%. We are delighted to have achieved a five-star rating from the HPF for the survey year ending September 2021.

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From 2022, we will be proactive to ensure compliance with 10% Biodiversity Net Gain when it is introduced during 2023.

In 2021, we reduced our NHBC Reportable Items by 17%.

In 2022, we are targeting to further improve our NHBC Reportable Items by 18%.

We will report our Annual Injury Incidence Rate and will aim to improve it year on year.

Aim to have females composing: 40% of our employees, 35% of our senior management team and 45% of employees in management roles by the end of 2025.

The Group became a Living Wage Foundation accredited employer during 2021.
Sustainability in action

BUILDING FOR TOMORROW

OUR PATHWAY TO NET ZERO

As previously reported, Persimmon has set ambitious targets to be net zero in our homes in use by 2030 and net zero carbon in our operations by 2040.

This commitment is supported by interim science based carbon reduction targets, aligned to the Paris Agreement, to reduce carbon emissions from our own operations by 46.2% (2019 baseline) and our indirect operations (i.e. those from our homes in use and our supply chain) by at least 22% per m² completed floor area by 2030 (2019 baseline).

These are very challenging targets requiring product innovation, supply chain engagement and changes to current operational processes.

Operational Emissions Reporting

2021, saw a reduction in our operational emissions while also making improvements to our data capture and reporting methodologies.

This year diesel fuel use on sites has been recorded directly in litres making data capture more accurate for a source that makes up 62% of our operational greenhouse gas emissions. This process will be extended to all fuel types used on our construction sites further improving the accuracy of Scope 1 and 2 emissions reporting. In 2022 we will be trialing alternative low carbon fuels in our forklift/telehandler fleet.

We report our greenhouse gas emissions in line with mandatory carbon reporting requirements of the Companies Act 2006 (Strategic and Directors’ Reports) Regulations 2013 and the Streamlined Energy and Carbon Reporting (SECR) regulations.

Persimmon’s greenhouse gas (GHG) emissions methodology 2021 details how we have reported our emissions and is available on our corporate sustainability website.

Our Scope 1 emissions arise from our own site operations including the use of diesel, kerosene on our construction sites and manufacturing sites, gas in our offices, showhomes, home plots and manufacturing facilities, and the use of company owned or leased vehicles. Our Scope 2 emissions come from the use of electricity in all of our operations.

<table>
<thead>
<tr>
<th>Greenhouse gas emissions</th>
<th>Unit</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1 tCO₂e</td>
<td>25,298</td>
<td>25,887</td>
<td></td>
</tr>
<tr>
<td>Scope 2 Location based tCO₂e</td>
<td>2,380</td>
<td>3,480</td>
<td></td>
</tr>
<tr>
<td>Energy Consumption MWh</td>
<td>96,508</td>
<td>95,110</td>
<td></td>
</tr>
<tr>
<td>Carbon intensity (per home sold) Location based tCO₂e</td>
<td>1.90</td>
<td>2.16</td>
<td></td>
</tr>
<tr>
<td>Market based tCO₂e</td>
<td>1.82</td>
<td>2.03</td>
<td></td>
</tr>
<tr>
<td>Total Scope 1 and 2 Location based tCO₂e</td>
<td>27,678</td>
<td>29,367</td>
<td></td>
</tr>
<tr>
<td>Market based tCO₂e</td>
<td>26,447</td>
<td>27,543</td>
<td></td>
</tr>
<tr>
<td>Scope 3 emissions Supply Chain tCO₂e</td>
<td>1,254,243</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Homes in use 1,193,835</td>
<td>1,193,835</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Employee commuting</td>
<td>14,537</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Total Scope 3 emissions tCO₂e</td>
<td>2,462,615</td>
<td>N/A</td>
<td></td>
</tr>
</tbody>
</table>
Sustainability in action
Building for tomorrow continued

SWITCHING TO RENEWABLE ENERGY
From August 2021, we purchased 100% renewable electricity for all Persimmon offices and manufacturing facilities, and gas supplied to offices is backed by Renewable Gas Guarantees of Origin (RGGOs) or Biomethane Certificates (BMCs).

In addition, all purchased electricity for our newly built homes, while under our ownership, is now backed by Renewable Energy Guarantee of Origin certificates. Purchasing renewable backed energy has saved over 1,200 tonnes of emissions. In 2022, we will continue to purchase renewable energy certificates further reducing our operational carbon emissions.

Renewable electricity for all Persimmon offices and manufacturing facilities

100%

JCB LIVELINK
Carbon emissions from our use of diesel fuel during construction is our biggest contributor to our operational footprint. JCB’s LiveLink has been developed to provide real-time data from diagnostic reporting tools installed in Persimmon site machinery.

The LiveLink portal will be used to provide accurate monitoring of fuel use and emissions, further improve reporting and identify areas for improvement such as idling vehicles. To ensure the portal is used to its full capability, training is set to commence in 2022.

CHANGING OUR FLEET AND ALTERNATIVE FUEL USE
We have also introduced electric vehicle options into our car fleet across all band levels, to provide more choice for colleagues, and are trialling the use of alternative low carbon fuels to replace diesel for our construction plant and equipment.

SCOPE 3 EMISSIONS
For the first time in 2021, we have reported on our Scope 3 emissions. Scope 3 emissions are indirect sources of emissions from our supply chain, homes in use (energy used in the home) and employee commuting.

The three categories were determined as material following an assessment of the 15 Scope 3 categories in the GHG Protocol, undertaken in 2020 covering our baseline reporting period (2019). They account for 99% of our total carbon emissions as a housebuilder. This process also supported the establishment of our science based targets. Carbon emissions from our supply chain are estimated based on spend on both goods and services from the Group’s suppliers and then applying the best matching Environmentally Extended Input Output (EEIO) emission factors.

Business travel and employee commuting has for the first time been calculated using an employee survey and a distance-based methodology, then applying the appropriate emission factor.

An estimation of the greenhouse gas emissions from homes used by our customers over the home’s lifetime using SAP calculations have been used to calculate homes in use emissions. Further details on our Scope 3 emissions methodology can be found on our website.

Reducing our Scope 3 emissions is a key component of our net zero carbon strategy.

Supply chain
50.34%

Employee commuting
0.58%

Homes in use
47.94%
Our future homes will combine improved building fabrication and quality alongside renewable technologies to ensure our customers get sustainable homes that are economic to run.

The Group has a number of projects underway to assist in the transition to Future Homes Standard and to deliver net zero homes in use by 2030. Our Low Carbon Homes Steering Group established in 2020 chaired by the Group Technical Director and comprising members of the Persimmon senior management team, has monitored, reviewed and assessed a number of pilot and research projects aimed at identifying the most effective method of designing and building a net zero home, which is scalable. The Group is also investigating the most effective low carbon solution to provide heating across larger community developments.

We are progressing a range of low carbon network technologies to ensure we continue to support our customers with safe, effective and sustainable solutions to fully support the aims of the UK’s Climate Emergency agenda. Over 30 projects ranging from the small to some of our largest developments are currently within this initiative and we expect this to continue to grow in line with our sustainability ambitions.

We are also engaging with our industry and our supply chain, for example we actively participate in the Future Homes Hub.

**NET ZERO HOMES IN USE BY 2030**

The path to net zero carbon homes in use

- **31% REDUCTION**
  - Part L | 2021
  - Energy Efficient Boiler | Controls
  - More Thermally Efficient Walls | Floors
  - Solar PV

- **80% REDUCTION**
  - Future home standard | 2025
  - Additional Loft Insulation
  - Solar PV
  - Air Source Heat Pump
  - Triple Glazing
  - EV Charging
  - More Thermally Efficient Floors
  - Mechanical Ventilation and Heat Recovery

- **100% REDUCTION**
  - Items to achieve net zero carbon homes in use | 2030
  - Potential move to Panelised walls
  - Off-site Manufacturing
  - Green Energy
  - Electrical Traffic
  - Product Development
  - Infra Red Panel Heaters
  - Air Source Heat Cylinders
  - Hydrogen
  - Smart Homes

Our Germany Beck site in York will shortly be welcoming its tenants who will live in the house as part of a joint project with the University of Salford to assess the effectiveness of zero carbon technologies and discover what it is like to live in a zero carbon home.

The zero carbon technologies at Germany Beck include Solar PV panels, battery storage, MVHR (Mechanical, Ventilation, Heat Recovery), ASHP (Air Source Heat Pump) with a hot water cylinder and two waste water heat recovery systems. Alongside these technologies the house has been built with thermally efficient walls and floors and additional loft insulation to achieve an EPC rating of A.
Sustainability in action
Building for tomorrow continued

CURV INFRA-RED HEATING TRIAL
As part of our aim to trial new technologies and assess options for innovation, a home at our Showfields development in Whittlesey has been developed with infra-red heating. This method of heating is exceptionally efficient and works by heating objects and surfaces much like the sun.

The infra-red heating is complemented with zero carbon technologies comprising an air source cylinder to heat hot water, solar PV panels and battery storage. Its green credentials are boosted by an EPC rating of A and an electric vehicle (EV) charging system.

OUR ENERGY EFFICIENT HOMES
The average Standard Assessment Procedure (SAP) rating of our new homes is 87, which equates to an average ‘B’ rating. Our homes are, on average, approximately 30% more energy efficient than the existing national housing stock, which has an average SAP rating of c.66, or an EPC rating of C.

Our homes contain a range of energy efficient features and renewable technology to promote sustainable living for our customers. During 2021, 1,796 of our homes were installed with solar photovoltaic (PV) panels. Other renewable technologies installed in our homes include air source heat pumps (ASHP), gas savers, mechanical ventilation heat recovery (MVHR), and district heating.

Average SAP rating of our homes
87
2020: 86

SUPPLY CHAIN ENGAGEMENT
As part of our commitment to reduce our Scope 3 indirect emissions, we have recently engaged an external consultant to calculate the embodied carbon of our homes. This will enable us to understand the carbon impacts of different house types, and prioritise those materials which have the greatest carbon impact. We are engaging with our major suppliers to support with the study and provide carbon footprint data and information.

We are partners to the Supply Chain Sustainability School to assist in the delivery of a consistent approach to sustainability and responsible sourcing.

Online learning materials, seminars, workshops and other services are available to help assess and improve environmental, social and economic sustainability awareness on issues including waste reduction, resource use and human rights.

MODERN METHODS OF CONSTRUCTION
Our timber frame manufacturing facility, Space4, is one of the UK’s leading producers of precision-engineered construction systems producing timber frames, highly insulated wall panels and roof cassettes as a ‘fabric first’ solution to the construction of new homes delivering up to 50% lower energy bills.

Space4 supports all our brands and supplied 4,315 timber frame kits and roof systems. In 2021, 33% of the homes we built used timber frames.

Space4 is set to expand with plans to build a new state of the art facility. This new site is designed to improve efficiency both of the home and the manufacturing process.

Expanding the use of Space4 technology will create better homes to live in, reduce heating related emissions from high performance insulation, reduce the build programme and reduce material waste. The overall carbon dioxide emissions for timber construction (the embodied carbon dioxide) are up to six times lower than for masonry.

We also have the benefit of vertical integration from our manufacturing facilities Brickworks and Tileworks, and typically, 28% less carbon is produced in the manufacture of concrete bricks in comparison to clay, with a total lifetime carbon savings of 2.4 tonnes of CO₂ per house built. Brickworks and Tileworks supplied 45m bricks and 9m tiles respectively to Group developments in 2021. In 2022, output is anticipated to increase by 25% at Brickworks and 50% at Tileworks delivering further carbon savings.

2. Source: Department of Energy and Climate Change Regional and local authority energy consumption statistics.
3. Provided by Edenhall and Marshalls – based on calculations made from publicly available EPD and housebuilding data.
CUSTOMER SATISFACTION

Customers are at the heart of our business. Our eight-week customer satisfaction score increased in 2021 to 92.0% (2020: 89.7%) and we are delighted to have recently received a five-star rating from the HBF. This is the first time in Persimmon’s history and we believe our commitment to build quality through The Persimmon Way construction excellence programme will allow us to consistently achieve a five-star rating year-on-year.

In order to reinforce our core targets of improving build quality and reinforcing customer trust, the Group is committed to further improving both our eight-week and nine-month customer satisfaction scores through the continued implementation of The Persimmon Way.

HOME AFFORDABILITY

Affordable homes sold
2,759
2020: 2,433

Average private selling price lower than UK national average
over 20% 
2020: Over 17%

HBF score
92.0%
2020: 89.7%

Private new homes sold to first time buyers
c.50%
2020: c.50%

SUPPORTING OUR COMMUNITIES

We invest in local communities in many forms, such as parks and open space, education provision, community buildings and roads and other infrastructure, either through direct construction or through financial contributions to local authorities. During 2021, we contributed c.£127m to local communities (2020: £72m) through planning contributions to local authorities.

Additionally, The Persimmon Charitable Foundation has two established programmes which contribute to the communities we serve. The Community Champions and Building Futures campaigns continued to support local good causes throughout 2021, donating over £1.8m to c.900 charities and community groups.

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2. The Group participates in the National New Homes Survey run by the HBF. The survey year covers the period from 1 October to 30 September. The rating system is based on the number of customers who would recommend their builder to a friend.
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Sustainability in action
Transforming communities continued

BUILDING FUTURES CAMPAIGN

2021 was the third year of the Foundation’s ‘Building Futures’ campaign which, in conjunction with Team GB, supports community projects that benefit young people across the UK in the areas of sports, education and arts, and health. The campaign held a public vote to select 96 finalists from thousands of nominated charities. The finalists received a total of £945,000 with the top three winners in each category receiving £100,000, £50,000 and £20,000 donations respectively. Beneficiaries included hospital charities, local sports groups, eco activity centres and refugee sports groups. The remaining 87 finalists received a donation of £5,000 each. Our three £100,000 winners this year were Sheffield Children’s hospital, Wotton Community Sports Foundation and Change of Scene, a Farnham charity that helps young people re-engage with learning.

Total prize money for nominated charities
£945,000

BUILDING FUTURES HEALTH

Sheffield Children’s Hospital

The Children’s Hospital Charity in Sheffield is a step closer to building a helipad on top of its emergency department after securing the most votes in the Building Futures Health category.

Fundraising Manager Catherine Foster said: “In emergency situations we need to transport children into our care as quickly as possible as minutes can make a huge difference in a major trauma situation. Richard Hose, Managing Director at South Yorkshire, said: “We were absolutely thrilled that The Children’s Hospital Charity won the top prize. Their fundraisers work immensely hard to support the amazing team at Sheffield Children Hospital.”

Community Champions

Each month our 31 operating businesses and our head office make donations of c. £2,000 to local good causes to match the charity’s own fund-raising efforts. During 2021, Community Champions donated c. £745,000 to c. 770 local groups.

2021 also saw the start of a partnership with Volunteer It Yourself (VIY), an organisation that engages with young people aged 14 to 24 to learn trade and employability skills whilst providing them with work experience on local community projects. The majority of young people who take part and benefit from this activity are disengaged or excluded from mainstream education and training and at risk of unemployment. They are mentored by professional tradespeople and can gain vocational accreditations as well as access to further training, work placement and apprenticeship opportunities.

This year, the Group was a key sponsor of a VIY refurbishment project at Flo Skatepark in Nottingham, where professional tradespeople, including from our Nottingham business, led by VIY’s lead mentors, supported 30 young volunteers (many of whom were not in education, employment or training) to take an active role in the renovation of the park’s indoor ramp area. The project has helped them to develop new employability skills and work towards Entry Level 3 City & Guilds accreditations in practical trades such as joinery.

“It was a pleasure to give my time and guidance to the enthusiastic team of volunteers. It was a fulfilling project to be part of and we hope it has inspired more young people to pursue a career in construction, in particular joinery.”

Zenon Pointon
Contracts Manager for Persimmon Homes Nottingham volunteered as a mentor on the VIY refurbishment project at Flo Skatepark project.
OPENING UP TO OUTDOOR LEARNING

Plans to create an outdoor learning space for pupils at a Northumberland first school have been given a helping hand with a donation from Persimmon North East. Broomhill First School in Morpeth applied to our Community Champions initiative for support as it looked to enhance the school’s outdoor areas and open them up to the community.

Welcoming the funding, head teacher Julie Newton said: “We are currently embedding outdoor learning into our curriculum. This is bringing many benefits to our pupils, not only in terms of their learning across various subject areas but also in relation to their wellbeing and mental health.

The children are thoroughly enjoying these sessions and we believe that the holistic effect on them is particularly important.

With the easing of Covid restrictions we are also opening up opportunities for community groups to enjoy. This includes sessions for the local parent and toddler group, as well as inviting residents from residential homes to join our sessions. We also plan to have pupils visiting these homes to share their outdoor learning experiences.”

JULIE NEWTON
Headteacher
Broomhill First School, Morpeth

SUSTAINABLE TRAVEL

“Providing alternative sustainable travel options is an important part of supporting our communities. Persimmon teamed up with Stagecoach West Scotland to offer free bus passes to homebuyers at its Ayrshire development, Fairfields. New resident Ross Hill, a pharmacist, said:

ROSS HILL
Resident

“The equivalent costs for the train or driving with parking are much more expensive. We don’t have to think about taxi numbers and when I work locally it’s a great cost effective and environmentally friendly way to commute.”
Sustainability in action

SAFE AND INCLUSIVE

TRAINING OUR WORKFORCE

Throughout 2021, Persimmon delivered c.13,200 training days to employees and the construction workforce, of which c.3,500 were delivered remotely. Following the popularity of remote delivery with our employees, we will maintain this blended approach to learning in the future. Persimmon has promoted 177 colleagues from within the business this year, continuing our strong history of promoting from within and rewarding hard-working, determined colleagues.

Persimmon is an accredited National Vocational Qualification (NVQ) assessment centre, a first for a UK housebuilder. As at 31 December 2021, c.90% of our site management team held a relevant NVQ, an increase from 21% at the start of the year. Additionally, the Group has developed structured professional qualification pathways for its sales teams in partnership with the Institute of Sales Professionals (ISP). This is an industry first partnership that has resulted in over 60 of our Sales Advisors being accredited by the Association with a further 100 on the programme. Moreover, in 2021 Persimmon created a new graduate management scheme, consisting of three females and five males. The graduates will rotate around the key business functions for two years, gaining invaluable experience within various aspects of the business.

Trainees and apprentices

over 650

Case Studies

Lynn, opted for a career change after 30 years with Persimmon working in sales.

“Being female in construction is challenging yet richly stimulating. I’m really loving my new job role and it’s brilliant to be learning something every day. The apprenticeship and hard work will bring you a vocational qualification in knowledge and skills and will open doors to great opportunities and a rewarding career.”

LYNN JOHNSON
Trainee Assistant Site Manager

“The construction industry doesn’t just mean becoming a bricklayer or plasterer. There are so many key elements involved in building new homes, with fantastic opportunities available including roles in land and planning, commercial, procurement, sales, technical. The country will always need new homes and the industry has great opportunities for those wanting to fast-track their careers.”

MICHELLE BAKER
MD Anglia
The median Gender Pay Gap in 2021 for the Group was 18.1% (2020: 12.7%). Consistent with our industry, our median Gender Pay Gap is driven by the composition of our workforce with a higher proportion of men in skilled construction roles (such as bricklaying and site management), the market for which is competitive.

We recognise that there is an under-representation of women and ethnic minority groups, not only in Persimmon, but throughout the industry as a whole. However, the Group is focused on attracting a more diverse workforce across every facet of our operations, which will be driven by our new Director of Talent & Diversity.

In March 2021, the Group set challenging diversity targets aiming to have females comprising 40% of our employees, 35% of our senior management team and 45% of employees in management roles by the end of 2025. To assist with this initiative and to prioritise our D&I Policy, we commissioned a Diversity & Inclusion Review, which commenced in October. Undertaken by an external consultancy, the review analysed a range of information including employee data and people policies, supplemented by interviews with a broad cross-section of colleagues from the Chief Executive and senior team to site-based employees, together with office and site visits. It also canvassed the perception of Persimmon from outside the organisation, provided by a representative sample of subcontractors, suppliers and jobseekers.

The results of the YourSay employee engagement survey confirmed that the Group has a healthy engagement with a score of 78%. The survey was conducted early in the year when the Covid-related challenges of lockdown and furlough from the previous year were still fresh in people’s minds, but despite this there was only a slight reduction of two points against the 2020 score. Highlights from the survey included 85% of colleagues feeling motivated to do their best at work and 90% being committed to the Group and our aims and objectives.

Some additional highlights of the YourSay survey included a 15% increase in the amount of employees who believe we provide a good service to customers prior to the handover of their home, when compared to 2020. Furthermore, the survey showed a 10% increase from 2020 in regard to colleagues believing the quality of our homes have improved. Whilst a further 11% increase was seen in relation to the service we provide after handover.

Persimmon now has a total number of 193 mental health first aiders, an increase of 109 from 2020. Our mental health first aiders are on hand to provide emotional support to all colleagues, whether it be in person or remotely.

In 2021 has also seen the introduction of a hybrid working policy across the Group, based on suggestions made by the Employee Engagement Panel. The policy enables employees with suitable job roles to work from home up to three days a week.

As well as providing support to employees who may be struggling with emotional distress or mental health issues, my role advocates for mental health awareness in the workplace, helping to enact positive change and reduce stigmas.”

ALEXANDRA HATFIELD-MARS LAND
Qualified Mental Health First Aider
In 2021, Persimmon launched our inaugural Construction Excellence Awards. In keeping with the Persimmon Way, the awards are based on the following criteria:

- Clear communication to tradespeople
- Inspiring their workforce with a can-do attitude
- Proactive liaison with Independent Quality Controllers (IQC) and warranty providers
- Build efficiency and quality
- Ongoing personal training and development
- Implementing good practice and safety standards
- Delivering positive customer care and after sales service.

Each operating company puts forward their best site in round one and the nominees are then reduced to one stand-out site from each wider region, with winners being announced by Group Chief Executive Dean Finch. Alongside the construction excellence awards, our Health, Safety and Environment awards have also recognised five finalists who achieve excellence in this field.

In addition to our internal awards, two Persimmon site managers won the prestigious NHBC Pride in the Job awards. Judging for the Awards is rigorous, with each of the site managers from a field of more than 10,000 assessed across six key areas: consistency, attention to detail, leadership, interpretation of drawings and specifications, technical expertise, and health and safety. Tom Smith won the award for his management at our Whittington Walk development in Spetchley. Tom, who started work with Persimmon as a labourer six years ago, has been managing Whittington Walk for 18 months.

“TOM SMITH
won the award for his management at our Whittington Walk development in Spetchley

DEAN FINCH
Group Chief Executive

This year, Persimmon became a Living Wage Employer following accreditation by the Living Wage Foundation. Persimmon took the step of paying its own directly employed staff the Real Living Wage almost three years ago in January 2019, and we have now extended this to include our subcontractor workers.

Persimmon’s commitment to the Living Wage scheme has had an overwhelmingly positive impact on the Company and our wider employees. Quin Cordeux, Site Manager for Persimmon Homes North West, added:

“Since the introduction of the RLW we’re seeing staff morale increase.”
The wellbeing of our customers, our workforce and our communities remains paramount. We take a proactive and progressive approach to our health and safety strategy and objectives.

Investment in training is a key element of mitigating the Group’s health and safety risk. All members of our workforce, including our subcontractors, undergo extensive training to safeguard the wellbeing of everyone that comes onto our sites, into our manufacturing facilities or into our offices. Training modules comprising ‘Toolbox Talks’ are regularly delivered to our site personnel and our supply chain workforce. These training modules are delivered at a regional level using Group wide training material developed by our HS&E Department. The results of ongoing performance monitoring undertaken by the Department determines which topics are covered. In 2021, the HS&E Department undertook 5,865 proactive site inspections. They have considerable experience in providing both a proactive advisory and reactive incident led approach to identify and mitigate health and safety risk.

We are working across the industry to help drive up standards in crucial areas:

- We have signed the ‘Building a Safer Future Charter’ as an inaugural member, demonstrating our determination to drive safety improvements within our business and across the industry.
- We have partnered with RoofCERT to drive the take up of this independent accreditation for roofers, holding briefings to encourage our subcontractors to take advantage of the scheme and provide greater safety and quality assurance within the industry.

Group Health Safety and Environment Director Abigail Bainbridge said: “Cardiac arrests can happen to anyone, at anytime, so having a defibrillator on hand to give emergency treatment could save a person’s life. St John Ambulance will also be undertaking defibrillator training sessions to ensure as many colleagues as possible are comfortable with using the machines and giving life-saving treatment.”

“We have received overwhelming support for this initiative from every role in the business. It is a piece of equipment I hope that we will never need but we can be comforted they are available should the worst happen.”

ABIGAIL BAINBRIDGE
Group Health, Safety and Environment Director
## Sustainability performance

**Building for tomorrow**

We will achieve net zero carbon homes in use and in our operations, aligned to climate science.

### Climate change action and resilience

<table>
<thead>
<tr>
<th>Material issue</th>
<th>Target</th>
<th>How we will achieve it</th>
<th>Progress</th>
<th>Update and next steps</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homes to be net zero carbon in use by 2030 (2019 baseline).</td>
<td>• Through a combination of fabric energy efficiency, electrification and sourcing of renewable energy.</td>
<td>+</td>
<td>• Plan in place to meet Part L regulations &amp; Future Homes Standard. • Trials of alternative low carbon heating technologies underway.</td>
<td></td>
</tr>
<tr>
<td>Net zero carbon in our operations by 2040 (2019 baseline).</td>
<td>• Investment in low carbon solutions and technology, energy efficiency measures and initiatives and sourcing of renewable energy.</td>
<td>+</td>
<td>• Achieved reduction in energy use this year. • 2022 focus on improving efficiency in site operations, and extending JCB fleet telematics system to reduce diesel fuel use.</td>
<td></td>
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<tr>
<td>Reduce Scope 1 and 2 emissions by 46.2% by 2030 (2019 baseline).</td>
<td></td>
<td>+</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduce Scope 3 emissions by 22% per m² completed floor area by 2030 (2019 baseline).</td>
<td>• Continued efficiency of Persimmon homes and supply chain engagement to reduce embodied carbon within products and services.</td>
<td>+</td>
<td>• Embodied carbon study of house type is underway.</td>
<td></td>
</tr>
<tr>
<td>In 2021, aim to purchase 100% renewable electricity for Persimmon’s offices and manufacturing facilities. In 2021, aim to purchase REGO certificates for plots, show homes and temporary building supplies’ electricity consumption.</td>
<td>• Purchase energy from providers sourcing 100% renewable energy as part of tender process. • Work with energy providers to purchase REGO certificates for consumption.</td>
<td>+</td>
<td>• All energy contracts are renewable energy – REGO/RGGO backed.</td>
<td></td>
</tr>
<tr>
<td>Top suppliers by emissions to be encouraged to utilise the Supply Chain Sustainability School’s carbon reporting tools and training.</td>
<td>• Engagement with suppliers and the Supply Chain Sustainability School to monitor success.</td>
<td>+</td>
<td>• Limited progress to date. • Enhanced focus in 2022, aiming for 20 top suppliers to be actively engaging with the SCSS.</td>
<td></td>
</tr>
</tbody>
</table>

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**UN SDG alignment**

- [UN SDG 7: Affordable and clean energy](https://un.org/sustainabledevelopment/energy/)
- [UN SDG 11: Sustainable cities and communities](https://un.org/sustainabledevelopment/cities/)
- [UN SDG 13: Climate action](https://un.org/sustainabledevelopment/climate-action/)
- [UN SDG 12: Responsible consumption and production](https://un.org/sustainabledevelopment/responsible-consumption/)
## BUILDING FOR TOMORROW

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Climate change action and resilience continued</strong></td>
<td>Maintain timber and timber derived products from responsible and sustainable sources via Group deals.</td>
<td>• Ensure adherence to timber sourcing policy through engagement with supply chain.</td>
<td></td>
<td>• Audits to be undertaken in 2022.</td>
</tr>
<tr>
<td></td>
<td>In 2021, undertake a detailed waste review across operations and implement a waste reduction strategy.</td>
<td>• Implement recommendations from internal waste review.</td>
<td></td>
<td>• Improving data quality, and stable rate of recycling achieved this year.</td>
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<tr>
<td></td>
<td></td>
<td>• Work with suppliers and waste contractors to identify opportunities and solutions for waste reduction on our sites.</td>
<td></td>
<td>• Projects to reduce generation of waste to be undertaken in 2022. Waste targets to be developed.</td>
</tr>
<tr>
<td></td>
<td>Build climate resilience into business operations.</td>
<td>• Follow the recommendations of the TFCD.</td>
<td></td>
<td>• Detailed climate scenario analysis undertaken this year. Implementation of the recommendations in 2022.</td>
</tr>
<tr>
<td><strong>Helping customers to live sustainability</strong></td>
<td>From 2021, increase sustainability messaging within Persimmon’s customer marketing materials and website.</td>
<td>• Marketing teams to ensure sustainability messaging is incorporated into materials, with a focus on practical tips and information on carbon reduction.</td>
<td></td>
<td>• Increased sustainability information on the website.</td>
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<td></td>
<td></td>
<td>• The ‘Welcome Homemove box’ for new customers has been redesigned with sustainable products.</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>Homes to be net zero carbon in use by 2030 (2019 baseline).</td>
<td>• Installing low carbon heating systems and improved insulation in homes, and understanding customer needs for new technologies</td>
<td></td>
<td>• Real world trial underway with tenants moving into our zero carbon home at Germany Beck for 12 months, with comprehensive monitoring by the University of Salford.</td>
</tr>
</tbody>
</table>
### Transforming communities

We will positively transform communities directly connected to Persimmon’s activities.

It’s important that we make a positive impact when building new homes, meeting stakeholder expectations and engaging local residents. We must aim to select the right projects where we can create true social value. We must also provide excellent service to our customers. Doing so builds positive recognition and customer loyalty.

#### Key:
- **On-Track:** Plans in place to deliver
- **On-Going:** Steps taken, work in progress
- **Off-Track:** Not meeting target
- **Complete:** Target achieved
- **New:** Target is new for the 2022 sustainability report

#### UN SDG alignment

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</thead>
<tbody>
<tr>
<td><strong>Customer satisfaction</strong></td>
<td>Achieve HBF five-star rating on the eight-week customer survey scores year-on-year.</td>
<td>• Investment in customer services initiatives and procedures to ensure continuous improvement in performance.</td>
<td>🟢 🟢️</td>
<td>• Customer satisfaction score of 92%. Achieved a five-star rating. • 2022 focus on maintaining and extending to nine month customer satisfaction scores, and build quality scores.</td>
</tr>
<tr>
<td></td>
<td>In 2021, reduce NHBC Reportable Items by 20%.</td>
<td>• Implemented and monitored through Group Construction policies and procedures.</td>
<td>🟥 🖄️</td>
<td>• Reduced by 17% in 2021, from 2020 baseline. Target for 2022 of 18%, from 2021 lower baseline.</td>
</tr>
<tr>
<td><strong>Social value</strong></td>
<td>From 2022, be proactive to ensure compliance with 10% Biodiversity Net Gain (expected during 2023).</td>
<td>• Proactive management ahead of legislation to ensure our sites transition as soon as possible.</td>
<td>🟢 🟢️</td>
<td>• Comprehensive training of design, planning and land teams on BNG requirements and our approach has been delivered. • Appointment of Group Biodiversity Manager underway.</td>
</tr>
<tr>
<td></td>
<td>From 2021, aim to review all non-developed land to identify opportunities to improve biodiversity.</td>
<td>• This will include identifying a portfolio of sites for biodiversity enhancements.</td>
<td>🟢 🖄️</td>
<td>• BNG prioritisation ranking of sites to commence in 2022.</td>
</tr>
<tr>
<td></td>
<td>We will create an internal Persimmon framework for developments to include wellbeing and social value.</td>
<td>• Framework for internal purposes to be introduced to incorporate best practice guidance.</td>
<td>🟢 🖄️</td>
<td>• Internal Placemaking Framework designed, aligned to National Model Design Code, with roll out commencing in 2022.</td>
</tr>
</tbody>
</table>
## Safe and Inclusive

We will create a safe and inclusive culture focused on the wellbeing of our customers, communities and workforce. Recruiting and retaining the right people means we deliver our strategic objectives and provide excellent customer service. It is a priority that our processes meet stringent standards. This significantly reduces risk and meets customer expectations for quality and value.

### UN SDG alignment

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<tr>
<th>Key:</th>
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### Material issue | Target | How we will achieve it | Progress | Update and next steps |
<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td><strong>Build quality and safety</strong></td>
<td>Report on Independent Quality Controller Review metrics and target to improve our % score year-on-year.</td>
<td>• Implemented and monitored through Group Construction policies and procedures.</td>
<td>• 23 out of 31 operating companies remained within the Group’s best practice range of 85%. All operating companies achieved over 81%.</td>
<td></td>
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<tr>
<td></td>
<td>Report on the results of independent quality audit against The Persimmon Way with target to improve % year-on-year.</td>
<td></td>
<td></td>
<td>• Completion of external audit of each operating company by summer 2022.</td>
</tr>
<tr>
<td><strong>Health &amp; safety</strong></td>
<td>Report on Annual Injury Incidence Rate and reduce the rate year-on-year.</td>
<td>• Implementation of key health and safety processes delivered and monitored through Group Health, Safety and Environment teams.</td>
<td>• 2021: 2.5 per 1,000 workers (2020: 1.7 per 1,000 workers). (2020 was an unrepresentative year because of COVID. 2019 figure was 2.8 per 1,000 workers. Average industry rate is 2.6 per 1,000 workers).</td>
<td>• Health &amp; safety, and environmental management systems are under development.</td>
</tr>
<tr>
<td></td>
<td>Aim to achieve third party certification/auditing to ISO 45001/18001 or similar.</td>
<td>• To be reviewed and implemented through Group Health, Safety and Environment department.</td>
<td></td>
<td>• All members of our workforce, including our subcontractors, undergo extensive training to safeguard the wellbeing of everyone that comes onto our sites, into our manufacturing facilities or into our offices.</td>
</tr>
<tr>
<td></td>
<td>Annually report on KPIs following our site inspection regime with a target to improve year-on-year.</td>
<td>• Implementation of key health and safety processes.</td>
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<tr>
<td></td>
<td>High risk suppliers by trade to be encouraged to utilise Supply Chain Sustainability School’s Modern Slavery training.</td>
<td>• Engagement with supply chain and Supply Chain Sustainability School.</td>
<td></td>
<td>• A number of initiatives, such as membership with the Gangmaster and Labour Abuse Authority (GLAA), have been implemented in 2021 to further build on existing controls in this area.</td>
</tr>
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</table>
### SAFE AND INCLUSIVE

<table>
<thead>
<tr>
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</table>
| **Talent attraction, diversity, development and engagement** | By the end of 2025, aim for 40% of Persimmon employees to be female. | • Investment in diversity training and initiatives across the Group.  
• Programmes to ensure effective development of talent.  
• Development of enhanced policies and procedures to support women in the workplace. | (✓) | • Appointed a new Director of Talent and Diversity in May 2021.  
• A Group wide Talent Review is currently ongoing to provide a robust succession plan, which will ensure we can identify and nurture our talent by providing the appropriate support.  
• External diversity and inclusion review undertaken to provide insights from across the business and support development of an action plan.  
• ‘Target 50 challenge’ – to recruit 50 female apprentices or technical trainees into construction-related roles across the business. |
| | By the end of 2025, aim for 35% of Persimmon’s Executive Committee and direct reports to be female. | | (✓) | |
| | By the end of 2025, aim for 45% of Persimmon employees in management roles to be female. | | | |
| | To become a Living Wage Foundation accredited employer. | • Working with the Living Wage Foundation to ensure everyone who works on site or in our offices is paid a rate based on real life living costs. | (✓) | • All employees and subcontractors included. |
| | Deliver a tailored training programme to every direct employee via the Persimmon Pathway. | • Programme developed through Group Training delivered through a combination of class-based and online learning. | (+) | • Rolled out a Persimmon Site Manager Essentials course and c.90% of our site managers have gained an NVQ (2020 21%). |
| | Work with the Social Mobility Pledge to implement a number of recommendations from their independent social mobility assessment of Persimmon. | • Independent review to be carried out in 2021 identifying key opportunities for Persimmon to further improve social mobility. | (+) | • Since signing the Social Mobility Pledge, Persimmon has continued to engage with its aims and objectives, particularly in the areas of social mobility and sustainability and we are pleased to be recognised as the lead for the homebuilding sector in ‘The Purpose Coalition’. |
| | By 2021, 150 Persimmon employees to be trained mental health first aiders. | • Continue to increase the number of trained colleagues throughout the Group. | (+) | • Persimmon now have 193 mental health first-aiders across the business. |
| | Continue to monitor and improve employee engagement through Persimmon’s employee engagement survey. | • Launched employee engagement survey in 2020.  
• Annual employee engagement surveys to be performed, with 2021 already underway. | (✓) | • Achieved an engagement score of 78% in 2021.  
• Included sustainability related questions in 2022 survey. |
| | Establish sustainability specific introduction training for all new employees of Persimmon Homes & internal sustainability training module. | • Liaise with the training department to create a sustainability training module to be taken by all new and current employees of Persimmon Homes. | (✗) | |
SUSTAINABILITY DISCLOSURES

Climate related financial disclosures:
The Board recognises the global climate emergency and the risks and opportunities posed by climate change to the Group’s business model and strategy, and reports in accordance with the requirements of the Task Force on Climate Related Financial Disclosures (TCFD). The focus, this year, has been on refining the understanding of impacts under different climate change scenarios.

Detailed climate scenario analysis was undertaken by a specialist consultancy to enable greater evaluation of risks and opportunities over different timeframes and against different time horizons.

The Group already has a number of mitigation plans in place and this process has enabled further climate resilience activities to be identified, and which will be included in mitigation plans and opportunities. Full details of our TCFD report can be found here and in our Annual Report.

<table>
<thead>
<tr>
<th>Climate scenarios</th>
<th>Timeframes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net zero carbon world</td>
<td>2040+</td>
</tr>
<tr>
<td>Paris consistent scenario</td>
<td>2025 – 2030</td>
</tr>
<tr>
<td>Hot house world</td>
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</tbody>
</table>

Sustainability Accounting Standards Board (SASB)
The Group has reported for the second year in line with the HOME BUILDERS Sustainability Accounting Standard, to aid comparability and transparency.

SASB is an independent standards setting organisation to assist companies in disclosing financially material, decision-useful sustainability information to investors. It is a US standard, therefore where possible, the UK equivalent has been provided as an alternative measure. In addition, we have provided additional metrics where we believe they will provide further information regarding a specific sustainability topic. The detailed SASB disclosures can be found here and in the Annual Report.

Greenhouse gas reporting and assurance
The Group has reported on greenhouse gas emissions in line with the UK Government’s ‘Environmental Reporting Guidelines: including streamlined energy and carbon reporting guidance’ (dated March 2019). The GHG Protocol Corporate Accounting and Reporting Standard (Revised Edition) has been used as the methodology to quantify and report greenhouse gas emissions. The Scope 1, 2, 3 (category 1 & 11) greenhouse gas emissions data for 2021 has been externally verified to a limited level of assurance by Bureau Veritas (see www.persimmonhomes.com/corporate/sustainability/reporting-and-performance/reports). The Group’s full GHG Reporting Methodology can be found at (www.persimmonhomes.com/corporate/sustainability/reporting-and-performance/reports).
# 2021 Review

## KEY PERFORMANCE INDICATORS

<table>
<thead>
<tr>
<th>KPI</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Housing completions</strong></td>
<td>14,551</td>
<td>13,575</td>
<td>15,885</td>
<td>16,449</td>
<td>16,043</td>
</tr>
<tr>
<td><strong>Average selling prices</strong></td>
<td>£237,078</td>
<td>£230,534</td>
<td>£215,709</td>
<td>£215,563</td>
<td>£213,321</td>
</tr>
<tr>
<td><strong>Building for tomorrow</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Greenhouse gas emissions Scope 1 &amp; 2 (Tonnes CO₂e)</td>
<td>27,678</td>
<td>29,367</td>
<td>34,006</td>
<td>38,400</td>
<td>33,520</td>
</tr>
<tr>
<td>Greenhouse gas emissions Scope 1 &amp; 2 per home completed (Tonnes CO₂e)</td>
<td>1.82²</td>
<td>2.03²</td>
<td>2.14</td>
<td>2.33</td>
<td>2.09</td>
</tr>
<tr>
<td>Average SAP rating</td>
<td>87</td>
<td>86</td>
<td>84</td>
<td>83</td>
<td>83</td>
</tr>
<tr>
<td>Homes incorporating renewable energy</td>
<td>2,386</td>
<td>1,034</td>
<td>1,402</td>
<td>993</td>
<td>901</td>
</tr>
<tr>
<td>Waste generated (Tonnes)</td>
<td>107,129</td>
<td>113,689</td>
<td>117,936</td>
<td>110,726</td>
<td>116,261</td>
</tr>
<tr>
<td>Waste per home completed (Tonnes)</td>
<td>8.6</td>
<td>8.4</td>
<td>7.4</td>
<td>6.7</td>
<td>7.3</td>
</tr>
<tr>
<td>Waste recycled (%)</td>
<td>94%</td>
<td>96%</td>
<td>97%</td>
<td>96%</td>
<td>92%</td>
</tr>
<tr>
<td>Trees planted</td>
<td>142,835</td>
<td>109,402</td>
<td>146,153</td>
<td>82,922</td>
<td>83,863</td>
</tr>
<tr>
<td>Trees planted per home completed</td>
<td>10</td>
<td>8</td>
<td>9</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td><strong>Safe and inclusive</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average number of employees</td>
<td>5,121</td>
<td>5,156</td>
<td>5,097</td>
<td>4,809</td>
<td>4,535</td>
</tr>
<tr>
<td>Average number of female employees</td>
<td>1,404</td>
<td>1,453</td>
<td>1,338</td>
<td>1,208</td>
<td>1,125</td>
</tr>
<tr>
<td>Female employees (%)</td>
<td>27%</td>
<td>28%</td>
<td>26%</td>
<td>25%</td>
<td>25%</td>
</tr>
<tr>
<td>Female employees on Senior Management team (%)</td>
<td>28%</td>
<td>26%</td>
<td>21%</td>
<td>19%</td>
<td>13%</td>
</tr>
<tr>
<td>Training days delivered (excluding apprenticeships)</td>
<td>12,573</td>
<td>12,573</td>
<td>14,256</td>
<td>11,031</td>
<td>10,669</td>
</tr>
<tr>
<td>Number of trainees and apprentices</td>
<td>c.650</td>
<td>c.680</td>
<td>c.750</td>
<td>c.630</td>
<td>c.590</td>
</tr>
<tr>
<td>No. of construction work related incidents in our housebuilding operations</td>
<td>32</td>
<td>20</td>
<td>39</td>
<td>45</td>
<td>49</td>
</tr>
<tr>
<td>No. of worker RIDDOR reportable incidents in our manufacturing operations</td>
<td>3</td>
<td>3.4</td>
<td>3.8</td>
<td>3.2</td>
<td>3.6</td>
</tr>
<tr>
<td>RIDDORs per 1,000 workers in our housebuilding operations</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>HSE Prosecutions</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>HSE Enforcement Notices</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td><strong>Transforming communities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social and affordable homes completed¹</td>
<td>2,759</td>
<td>2,433</td>
<td>3,589</td>
<td>3,333</td>
<td>3,005</td>
</tr>
<tr>
<td>Value of social and affordable homes delivered</td>
<td>£363m</td>
<td>£303m</td>
<td>£428m</td>
<td>£394m</td>
<td>£348m</td>
</tr>
<tr>
<td>Social and affordable as a proportion of total completions</td>
<td>19%</td>
<td>18%</td>
<td>23%</td>
<td>20%</td>
<td>19%</td>
</tr>
<tr>
<td>Planning contributions (£m)</td>
<td>127</td>
<td>72.9</td>
<td>94.1</td>
<td>80.7</td>
<td>64.4</td>
</tr>
</tbody>
</table>

¹ Homes provided to our housing association partners and Discounted Open Market Value homes.
² Market based greenhouse gas emissions for Scope 1 and 2.
2021 Review

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 sustainability@persimmonhomes.com or write to:

Fran Leedham
Group Sustainability Director
Persimmon Plc
Persimmon House
Fulford, York
YO19 4FE

Policies
Further information on the following policies that support Persimmon’s approach to sustainability can be found on our website:

Further information on the policies that support Persimmon’s approach to sustainability can be found on our website: www.persimmonhomes.com/corporate/sustainability

Sustainability
For more information on our Sustainability Report and supporting documents please visit our website:

www.persimmonhomes.com/corporate/sustainability

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