

Sustainability Policy

Persimmon plc is one of the UK's leading housebuilders. We have operating businesses throughout the country building a variety of homes across the UK, from affordable starter homes to large family properties. The scale and diversity of our operations means that we have to take a pragmatic approach to business and to the way we take account of our responsibilities to our stakeholders.

Our core business is focused on building good quality homes for our customers, at the right price, in surroundings and with facilities that enhance their quality of life. We acknowledge that to be successful in what we do requires us to consider our impacts on the environment and local communities around us.

The Board recognises these issues are increasingly important. Ensuring that we operate in a responsible way and build homes that are both efficient and sustainable is fundamental to the continued success of our business. Our stakeholders expect us to take sustainability issues into account and we have a duty to demonstrate to them how we are living up to this expectation. This can often mean balancing the competing demands placed upon us as a public company and as a housebuilder. Furthermore, our responsibilities not only extend to the direct impacts of our own activities, but also to the future impact of the homes we build.

This policy outlines six guiding principles that shape our approach to sustainability and how we undertake our activities in a responsible way. These principles are supported by detailed policies on specific issues. Our sustainability principles are:

To build sustainable homes and communities:

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

- Always endeavour to create communities that allow people to live in a sustainable way, offering them individual flexibility in terms of their lifestyle choices, how they travel and use public spaces.
- Adhere to relevant legislation and building regulations on sustainability issues.
- Seek cost effective ways to incorporate sustainability features into the homes we build.
- Offer advice to our customers on environmentally efficient living.
- Share ideas and best practice of sustainability innovation across the Group.
- Respect local heritage and build in a way that contributes and enhances the local surroundings.

To operate efficiently and minimise our impact on the environment:

As a housebuilder, our activities have a potentially significant environmental impact. We have a responsibility to manage and minimise this impact. We will always strive to:

- Prevent pollution from our activities through adherence to robust environmental management practices.
- Minimise waste and promote recycling.
- Use resources and materials efficiently.
- Implement environmental improvement initiatives on our sites and in our offices.
- Monitor and measure our environmental performance.
- Promote environmental awareness amongst our employees.

To work with local communities:

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

- Treat local communities with respect and listen to their views and concerns.
- Build inclusive communities that enable good relationships between neighbours and with those living in the local area.
- Use resources, suppliers and materials from the local area where appropriate.
- Support community initiatives that are consistent with our approach to sustainability and our core operations.
- Be considerate in the way we operate our sites and build sympathetically to the local surroundings and environment.
- Create strong links with the communities in which we operate and build.
- Encourage local regeneration through the redevelopment of previously used (brownfield) land.

To promote skills within the house building industry:

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

- Encourage employees to take up training initiatives to enhance their skills, particularly if they lead to a recognised qualification.
- Provide equal access to training to enable our employees to develop themselves and their career.
- Create a culture that rewards employees commensurate with their contribution to the business, to motivate them and retain skills within the business.

To ensure a healthy and safe working environment:

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

- Employ robust and reasonably practical health and safety policy practice and procedures throughout our operations.
- Monitor and review the implementation of our policy and procedures.
- Provide appropriate health and safety training for our employees.
- Ensure that the general public are kept safe from our work activities.
- Always strive to minimise the risk of incidents occurring at our sites and offices.
- Contribute to industry wide initiatives to promote health and safety awareness and standards.

To care for our customers:

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

- Meet the standards set out in the *Persimmon Pledge*.
- Seek opportunities to continually improve customer care and satisfaction.
- Monitor and measure levels of customer satisfaction.
- Contribute to industry wide initiatives to improve customer satisfaction across the industry.

Chaired by a Non-Executive Director of the Board, the CR Committee is comprised of senior management and operational representatives from across the Group. It meets at least quarterly to review the effectiveness of this policy, first introduced in 2008, set objectives and targets and promote new initiatives.

- Responsibility for the implementation of this policy rests with the Group operating businesses.
- Divisional Commercial Directors are responsible for coordinating activities across the operating business and facilitating communication on sustainability issues. This includes the sharing of best practice.
- Responsibility for monitoring and evaluating the implementation of this policy, in particular the guiding principles, through the use of key performance indicators, rests with the CR Committee.

We seek to achieve open, honest relationships with our key stakeholder groups, including our employees, and will provide appropriate information about our management and performance on a regular basis. We will engage with our stakeholders on an ongoing basis and take into account emerging issues on sustainability.

Mike Farley
Group Chief Executive
4 January 2010