

Corporate Responsibility

Since the inception of our approach to corporate responsibility and the emergence of the broader sustainability agenda we have continued to develop our strategy and communicate our approach to our stakeholders to reflect our responsibilities as a national housebuilder. Our Corporate Responsibility Committee coordinates activities across the Group with implementation being carried out by our management teams in each operating business.

Building Sustainable Homes

Our approach is to imbed sustainability issues into all aspects of the construction of new homes. We do so in a practical way to make sure that, as we create sustainable homes and communities, they are both affordable to our customers and efficient in environmental terms.

Whilst we do not aim for a fixed percentage of brownfield development, favouring a flexible approach based on demand, the decontamination and remediation of brownfield sites has a very positive impact on the local environment. In 2008 62% of the homes we built were on previously developed brownfield land (2007: 52%) which exceeded the Government's target.

Overall the homes that we built during 2008 were significantly more energy efficient than the homes that we were building a decade ago. The energy efficiency of homes is measured by a Government standard assessment procedure (SAP) and during 2008 the average SAP rating for all properties we completed was 86 out of a maximum rating of 100.

During the year we constructed 1,653 homes to Eco-homes standards, being over 16% of the homes we built, a significant increase on the 10% of homes we constructed to this standard in 2007. The proportion of our Eco-homes constructed to "very good" or "excellent" standard increased by 74%.

Recent changes in the SAP ratings scales and the introduction of the Code for Sustainable Homes are being monitored and assessed by our commercial directors, who provide advice and guidance to our operating businesses on their implementation.

During the course of 2008 we have continued to promote the use of modern methods of construction techniques with our pre-fabricated timber frame manufacturing subsidiary Space4 producing our new and highly efficient Eco-housing range.

Sustainability issues remain key in a discerning market.



Above QE3 building, Glasgow
Below Space4 homes

Environmental Management

We have an Environmental Management System (EMS) that ensures our Environmental Policy is integrated into our operational activity. Space4 has its own Environmental Management System certified to ISO 14001. The implementation of our policy and procedures is directly monitored by our Health and Safety Management teams and we are pleased to report that during 2008 we had no environmental prosecutions.

The generation and disposal of waste is our most significant operational environmental impact. We have a dedicated Waste Management policy, developed in consultation with the Government's Waste and Resources Action Programme (WRAP) which is implemented across the Group. In addition, since April 2008 all of our new sites have Site Waste Management Plans ensuring that our approach to waste management on each new site is documented with detailed records maintained.

We minimise the waste we produce through careful ordering of materials and if possible by pre-specifying the size and dimensions of components, such as pre-fabricated support beams rather than traditional timber joists. All waste generated is subject to either onsite or offsite segregation and recycling.

In 2008 our sites generated just over 91,000 tonnes of construction waste, a 40% reduction on the prior year, with the amount of waste that we recycled increasing to 70% (2007: 68%). Whilst we are pleased with this performance, a better indication of our efficiency is the amount of waste generated per home completed. In 2008 we generated 8.9 tonnes of waste per home completed, compared to 9.5 tonnes in 2007, a reduction of just over 6%. These figures demonstrate that even though we built fewer homes in 2008, we are building them more efficiently and producing less waste as a consequence.

In accordance with our Climate Change Position Statement, we can again report on operational carbon footprint relating to emissions produced through the use of fuel in our offices and our company vehicle fleet. Our CO₂ emissions have reduced by 19% to 11.8 thousand tonnes (2007: 14.7 thousand tonnes). During 2008 we have for the first time collated data on water use in our offices and we are currently undertaking a review of this data and how we use water across our businesses.

Working with Local Communities

Our operating businesses are firmly rooted in the communities which they serve. We have a regional structure which allows our operating businesses to act in a semi-autonomous way. This means we are able to respond in a collaborative way to take into account the needs of the local communities.

As an example at Ironstone in Lawley, Telford we have recently opened a visitor centre at the new sustainable village we are developing with our joint venture partners. The visitor centre will play a pivotal role in helping to create and strengthen a community spirit and bring the people of Ironstone together in actively managing their neighbourhood.

We substantially increased the number of social affordable homes we built to 2,389, representing over 23% of our homes sold last year. We have also continued to promote our shared equity scheme which helps first time buyers to purchase their first property. This is a scheme where the Group retains a substantial equity share enabling first time buyers to obtain mortgages at favourable interest rates.

We also continued our charitable support and in particular, our support of the York Minster Fund and the training of apprentices in the ancient crafts used to repair and conserve the Minster.

Promoting Health and Safety

We use a proactive approach based on the risk assessment principle of implementing reasonably practical health and safety control measures, to minimise the likelihood of incidents happening on our building sites and to promote a healthy and safe working environment for our employees. Health and safety is incorporated into our daily management processes across our operating businesses to ensure that management and staff understand their responsibilities. During the year we also carried out 274 days of specialist training.

We are pleased to report that during 2008 the number of incidents reportable under the UK Reporting of Incidents Disease and Dangerous Occurrences Regulations (RIDDORs) fell from 172 in 2007 to 78 in 2008. Whilst this was in part due to fewer houses completed and therefore fewer workers on site, there has been a significant reduction in the number of reportable incidents per home we completed. In 2007 the Group experienced an average of one RIDDOR per 92 house completions, which had improved to one RIDDOR per 131 house completions in 2008, showing that our sites are significantly safer.



Ironstone visitors centre



Caring for our Customers

We continue to develop our management systems to ensure that the quality of the houses that we build for our customers improves and the service that they receive satisfies their aspirations. We undertake regular customer satisfaction surveys, the results of which we monitor to ensure that we are maintaining our high standards.

We are pleased to report that during 2008 the number of customers who would recommend Persimmon to a friend increased by 3% over the prior year to 89%. This demonstrates our ongoing commitment to ensuring that customers have the best possible experience when purchasing a Persimmon or Charles Church home.

Conclusion

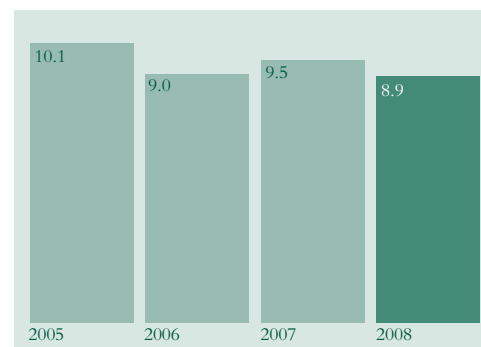
Although 2008 has been a very challenging year for our business, we have again shown our commitment to building sustainable homes and we remain committed to our key responsibilities set out in our sustainability strategy.

Further information is contained within our Sustainability Report 2008 which can be found on our website at www.persimmonhomes.com, together with information on our sustainability and other policies.

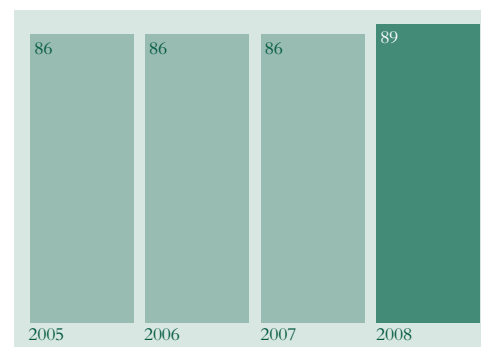
Neil Davidson Chairman
Corporate Responsibility Committee
2 March 2009

Non-financial Key Performance Indicators

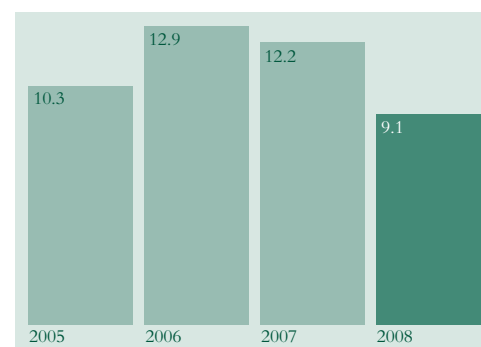
Waste generated per home sold (tonnes)



Customers that would recommend Persimmon to a friend (%)



RIDDORS* (per 1,000 employees)



* The Reportable Injuries Disease and Dangerous Occurrences Regulations.