

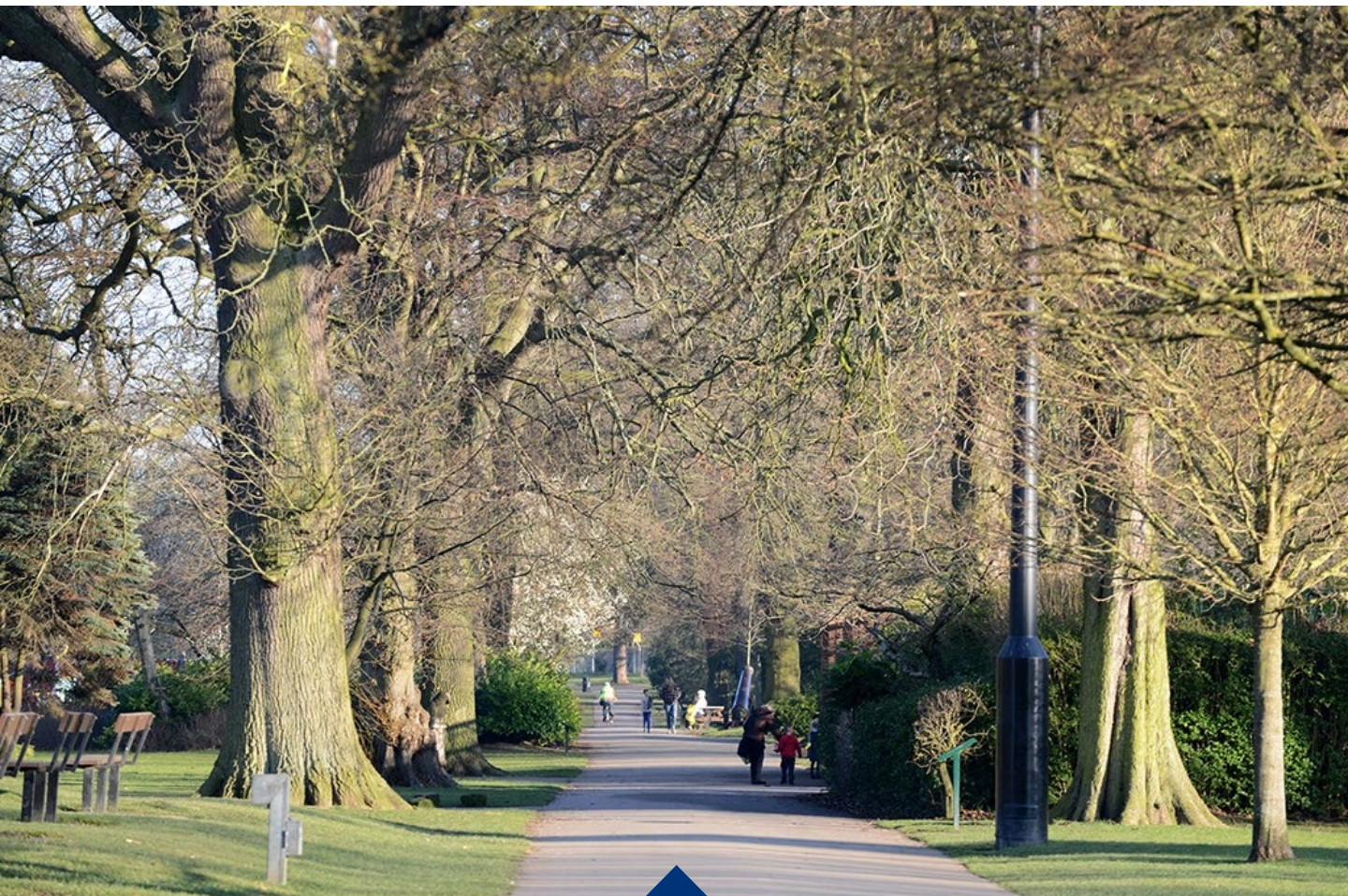


SUSTAINABILITY STRATEGY 2020-2022



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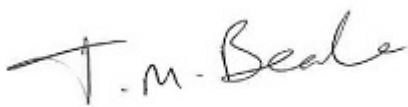


▶ INTRODUCTION

At Keepmoat Homes we believe we have a clear responsibility to help deliver a sustainable future. For us this means delivering economic progress while enhancing the environment and delivering social value.

Our sustainability strategy helps to focus activity around these aims and on key material issues. We know this approach enhances our business performance and is integral to our business operations. Most importantly, it meets our customers' expectations and those of the communities in which we operate.

I'm pleased to share our sustainability strategy which outlines our continuing journey to deliver our company vision **Building communities. Transforming lives.**



Tim Beale
Chief Executive Officer





HIGHLIGHTS FROM 2019

£27m

Social value added
to our communities

2.5%

Absolute carbon
reduction

3%

Of staff trained as mental
health first aiders

1,929

Tonnes of waste reduced

51%

Safety improvement
(AIIR)

19%

Homes built using modern
methods of construction

80%

Of sites are
brownfield



► OUR VISION

Building communities. Transforming lives.

At Keepmoat Homes we think and act beyond bricks and mortar. As well as creating better places for people to live, our success depends on us playing our part in building the sustainable communities and enhanced environment our partners and customers want. We work with our partners to create and improve places and in turn improve economic, environmental and social outcomes.

► OUR VALUES

Our Values are at the heart of everything we do. These four values support our vision and shape our culture to reflect how we work and behave.



► SUSTAINABLE DEVELOPMENT GOALS (SDG'S)

Agreed in 2015, the SDGs set the global development agenda until 2030.

Our planet faces massive economic, social and environmental challenges. To combat these, the Sustainable Development Goals define 17 global priorities to 2030, supported by 169 targets. They represent an unprecedented opportunity to put the world on a sustainable path.

The SDGs explicitly call on all businesses to apply their creativity and innovation and present an opportunity for business-led solutions to be developed and implemented to address sustainable development challenges.

As part of developing our sustainability strategy we reviewed the SDG's and associated targets and have aligned our focus and objectives to 8 SDGs where we can make a material contribution:

- ▶ 4 associated with **Corporate Citizenship**; and our responsibilities towards society
- ▶ 4 focussed on becoming an increasingly **Sustainable Business**

(these are outlined in more detail on pages 12-14)



SUSTAINABILITY POLICY STATEMENT

Summary

Our commitment to sustainability is at the heart of everything we do. Through continuing to invest in our people, the environment, new technology and our communities we aim to make a sustainable contribution to their future. When we talk about sustainability, we mean:

- ▶ Social sustainability (affecting people and communities)
- ▶ Economic sustainability (financial viability and value for money)
- ▶ Environmental sustainability (our impact on the environment)

Commitments

Economic; We will

- ▶ continually improve the sustainability of the homes we build,
- ▶ work with our suppliers and partners to develop sustainable practices, products and services,
- ▶ increasingly specify and buy environmental, sustainable products and services from local suppliers,
- ▶ train our staff and contractors in sustainability operations and practices,
- ▶ Annually report and communicate our sustainability performance.

Social; We will

- ▶ work to tackle poverty and disadvantage in communities around the sites we build,
- ▶ treat staff, people and organisations fairly and with respect,
- ▶ value and encourage work/life balance and support flexible working practices wherever possible,
- ▶ support health and wellbeing amongst our staff and within local communities,
- ▶ train and develop our staff and disadvantaged groups around Keepmoat developments,
- ▶ develop infrastructure around our developments that supports the wider community

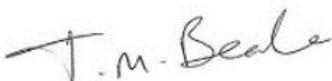
Environmental; We will

- ▶ make best use of resources and reduce, re-use and recycle our waste,
- ▶ measure and report on our carbon footprint, and during 2020 set Science Based Targets,
- ▶ encourage biodiversity on and around our sites,
- ▶ adapt our homes and site operations to climate change risks,
- ▶ reduce our energy and water consumption and progressively use more renewable energy,
- ▶ improve the sustainability of our travel through fleet enhancement and green travel practices,
- ▶ maintain contemporary management systems to protect and enhance the environment.

This Policy is implemented through the Keepmoat Homes Sustainability Strategy. The Keepmoat Homes Leadership team have overall responsibility for the regular review and implementation of commitments within this policy.

Communication of this Policy

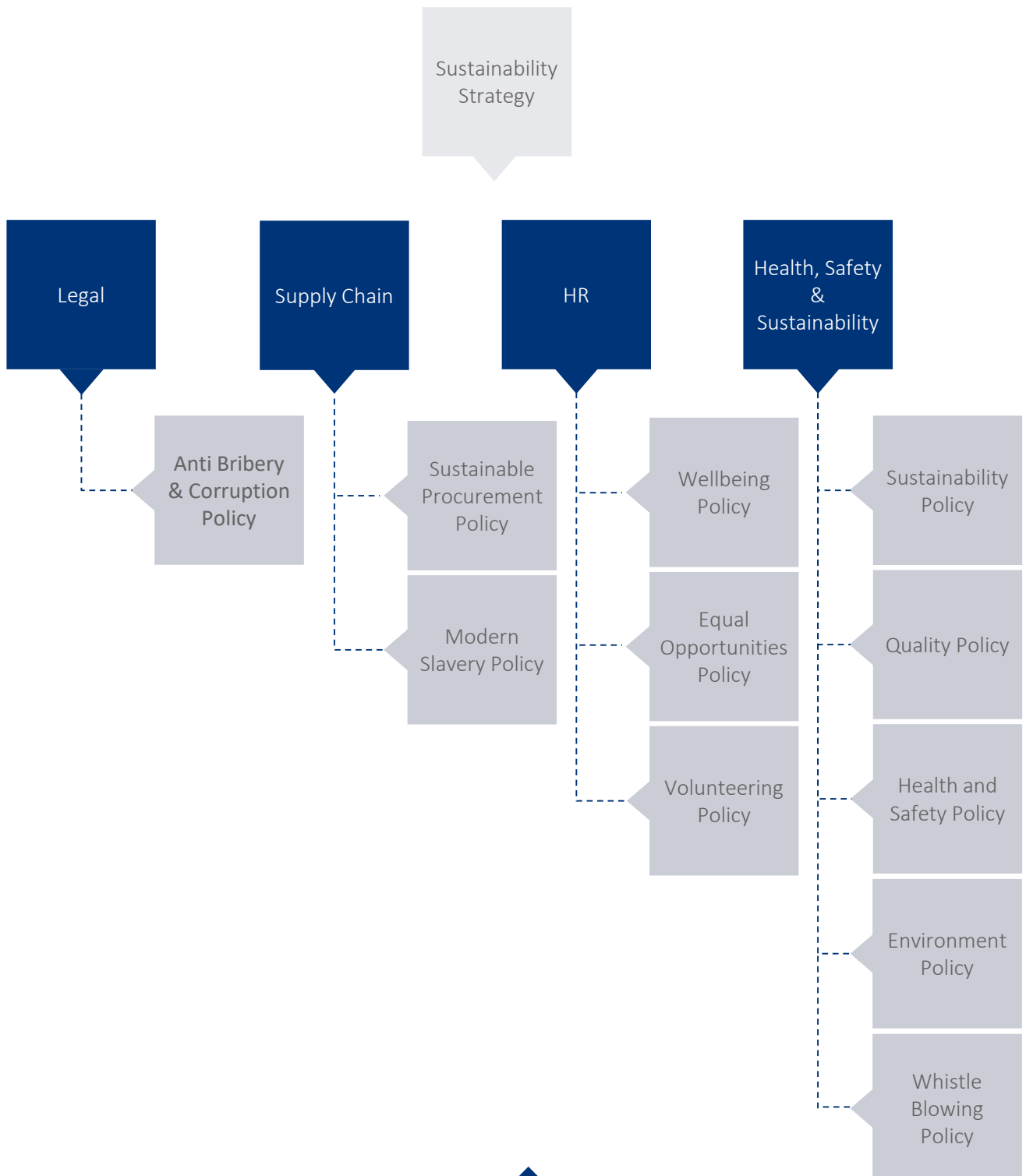
This policy is cascaded and communicated to staff throughout our business and available upon request to relevant interested parties.



Tim Beale
Chief Executive Officer
February 2020

▶ RELATED KEEPMOAT HOMES POLICIES

Our sustainability strategy is influenced by and implemented through the policies outlined below. These are in turn supported by standards and plans.



▶ OUR GOVERNANCE STRUCTURE

Commitment to sustainability is led from the highest levels of Keepmoat Homes and our investors. Our governance structure supports the integration of sustainability across the business and supports close working to embed sustainability in all business functions and regional operations.



► MATERIALITY

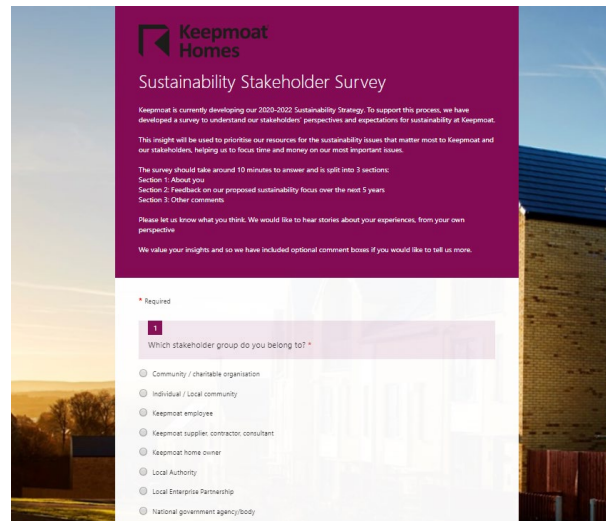
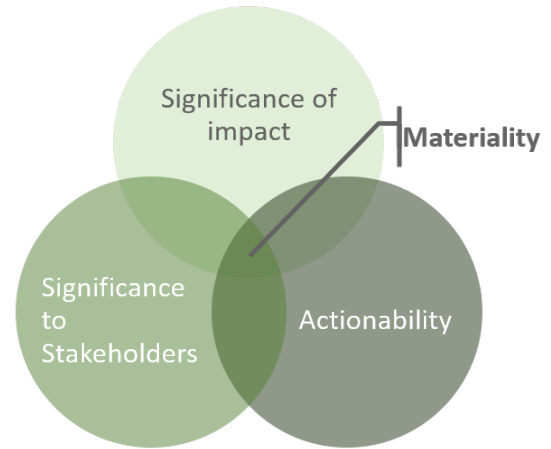
During 2019 we took the time to step back and re-evaluate our sustainability focus and priorities.

Through a detailed stakeholder consultation, we contacted 135 internal and external stakeholders including our employees, clients, investors, partners, the third sector and local communities.

This process helped us refine our strategy, aligning it with material issues based on:

- Significance of the issue/impact
- Significance of the issue to our stakeholders
- How actionable the issue is

Alongside this process we aligned our strategy to 8 of the UN Sustainable Development Goals, assessing not only the goals but also our alignment and contribution to the associated targets.



Stakeholder Survey

Materiality Process



MATERIALITY (CONTINUED)

Materiality Matrix

The below materiality matrix shows the results of our materiality assessment, and analysis of the quantitative and qualitative responses from stakeholders.

The matrix highlights the relative importance to Keepmoat Homes and our stakeholders of key sustainability issues. These are grouped, by colour, relating to the sustainable development goal to which they contribute.



Corporate Citizenship

3 GOOD HEALTH AND WELL-BEING	11 SUSTAINABLE CITIES AND COMMUNITIES	13 CLIMATE ACTION	15 LIFE ON LAND

Sustainable Business

4 QUALITY EDUCATION	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	12 RESPONSIBLE CONSUMPTION

▶ OUR SUSTAINABILITY GOALS AND KPIS

Corporate Citizenship

3 GOOD HEALTH AND WELL-BEING



KeepWell

Supporting the health and wellbeing of our staff, our sub-contactors and our communities

Goals

Neighbourhood wellbeing initiatives in all Divisions aligned to partners' key priorities
Employee and supply chain health and wellbeing support continually reducing sickness absence

KPIs

Development of at least 6 wellbeing community case studies each year
Maintain and improve our Investors in People accreditation
Mental health first aiders in all regions, maintaining over 30 across the business

11 SUSTAINABLE CITIES AND COMMUNITIES



Building communities. Transforming lives.

Alongside creating better places for people to live, we will work with our partners to create and improve places and in turn improve economic, environmental and social outcomes.

Goals

Address the national housing shortage through the construction of affordable homes
Sustainable community and regeneration initiatives around Keepmoat Homes developments

KPIs

Progressive improvement to affordability / running costs for homes
Quantify social value (social return on investment) of Keepmoat Homes developments
Upgrade our Social Value UK Pioneer status in 2020/21

13 CLIMATE ACTION



Climate Action

Taking action to reduce absolute carbon emissions from our operations, our supply chain and the homes we build, and to adapt our operations and homes to our changing climate

Goals

Climate change resilience in development design, throughout construction and lifecycle
Business carbon reduction aligned to limiting global warming to well below 2°C

KPIs

Identify opportunities to enhance climate resilience (overheating and water management)
Science based targets developed in 2020
3% Scope 1 and 2 emissions reduction per annum

▶ OUR SUSTAINABILITY GOALS AND KPIS

Corporate Citizenship

15



Net Positive

Protecting and enhancing our environment across the lifecycle of our operations, homes and our developments

Goals

- By 2023 deliver net gain in biodiversity for all Keepmoat Homes developments
- Reduce significant environmental incidents and increase environmental hazards observed
- Develop green spaces which support communities alongside biodiversity

KPIs

- Biodiversity net gain processes developed in 2020
- 3 biodiversity case studies per annum
- 10% reduction in significant environmental incidents per annum

Sustainable Business

4



Educating for Construction

Providing education and development opportunities for our staff and communities to address the construction sector skills shortage

Goals

- Youth & community education and training initiatives in all Divisions
- Maintain our 5% Club status by increasing 'earn and learn' training opportunities.
- Sustainability competency programme for employees and sub contractors

KPIs

- Maintain our Cornerstone Employer status preparing young people for work
- Publish at least 6 community case studies each year, with associated social value
- Development and launch of environmental competency programme in 2020

▶ OUR SUSTAINABILITY GOALS AND KPIS

Sustainable Business

8 DECENT WORK AND ECONOMIC GROWTH



Safe & Sustainable Operations

Assuring the safety and sustainability of our sites, operations and supply chains, and increasing the proportion of people from local communities in our workforce

Goals

Provide for the safety and wellbeing of all workers
Focussing on a local workforce that reflects our communities
Integration of minimum sustainability criteria into all procurement exercises

KPIs

Reduce the business Accident Frequency Rate by 10% each year
Develop local employment & diversity statistics (inc. supply chains) in 2020/21 and set targets
Annually audit at least 3 key supply chain partners
100% CHAS Premium Plus assured sub-contractors

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Sustainable Homes

To deliver increasingly sustainable homes (affordable, efficient, low carbon and adaptable)

Goals

Sustainable Homes (affordable, efficient, low carbon and adaptable)
Annual 10% increase per annum in use of offsite and modern methods of construction

KPIs

Three trials of innovative materials and technologies in 2021
Development of kWh/m² targets during 2020/21

12 RESPONSIBLE CONSUMPTION



Efficient operations & Zero Net Waste

Achieve zero net waste construction through waste minimisation and buying recycled
Continually improve our management systems (ISO 14001, ISO 9001 & OSHAS 18001)

Goals

Annually report on sustainability performance
By 2024 achieve zero net waste through waste minimisation and buying recycled
Management systems certified to ISO 14001, ISO 9001 & ISO 45001

KPIs

3% reduction in waste removed from site per annum
Maximised reuse of materials on and between sites through Materials Management Plans
Specifying recycled materials with groundworkers and key supply chain partners

▶ PARTNERSHIPS

To support our sustainability ambitions we work in partnership with a number of organisations. Through membership certification or accreditation.



As **Pioneer Members of Social Value UK**, KeepmoatHomes collaborate with the SVUK to focus and maximise the level of social value delivered through our activities.



With the **5% Club**, we are working towards achieving 5% of our workforce in earn and learn positions.



We work with the **Princes Trust** to provide opportunities for 11 to 30 year-olds who are unemployed or struggling at school to transform their lives.



All Keepmoat Homes operations work in compliance with management systems that are certified to:

- **ISO 9001** (Quality Management)
- **ISO 14001** (Environmental Management)
- **OHSAS 18001** (Health and Safety Management)

Ensuring effective management of quality, environmental and health and safety risks and opportunities.



Our culture was recently recognised in our **Investors in People** accreditation, with the assessor highlighting our effective people centric culture and the positive impact that this has on our performance as a business.



Keepmoat Homes has been awarded RoSPA Gold Award for 2019/20. It demonstrates that as a business we have excellent health and safety management systems.

▶ OUR SUSTAINABILITY FOCUS & TIMELINE

