



# OUR SUSTAINABILITY ROADMAP

2023 - 2030

Original version. August 2023



# OUR PARTNERSHIP MODEL

Our partnership model is what sets us apart from our competitors. It gives us the ability to secure land on a capital light basis which, combined with other aspects of our partnership operating model delivers strong capital returns and lower business risk.

This model is only possible through creating value continuously for all our stakeholders over the short, medium and long term.

## Sustainability Roadmap

The following Sustainability Roadmap compliments our approaches to operational performance and partnership working, ensuring we've got a clear eye from now to the future in a rapidly changing environmental, social and economic context.



# OUR SUSTAINABILITY ROADMAP

## Focus on what's most important

The themes within the Sustainability Roadmap are based on the issues that matter most to our stakeholders.

These were determined via a thorough consultation process that involved 38 interviews, desktop research, competitor analysis and Executive workshops.

Empowering people from all walks of life with opportunities to gain quality work and skills, shaping the communities in which they live.

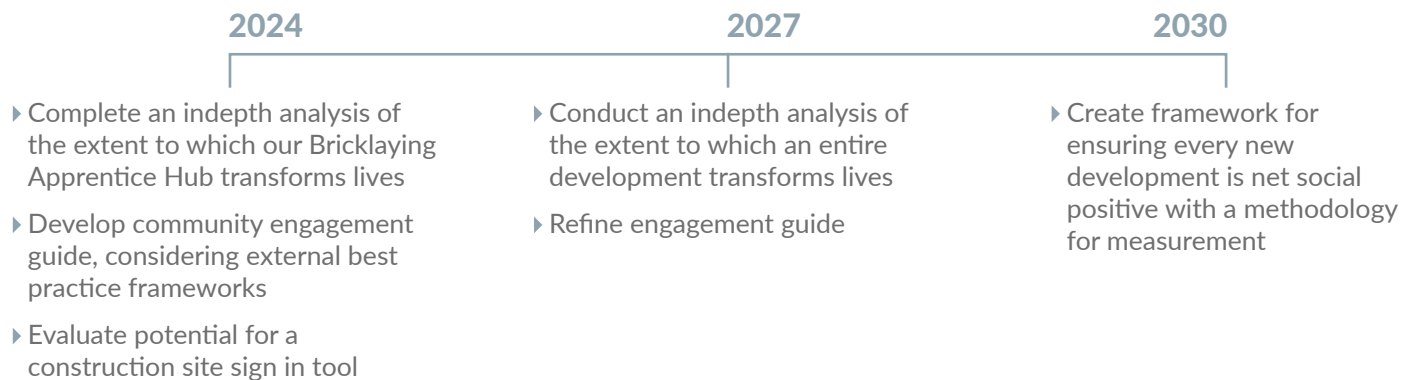
Providing quality homes and places within reach that respect the environment and leave a positive legacy for decades.



Continually improving site management and building practices that protect our people as well as the environment.

# ENGAGING AND EMPOWERING COMMUNITIES

People have a special connection to where they live, and changing the built environment around them is a great responsibility. When done right, the outcomes for local people can be inspiring. And to make sure of it we engage communities to understand the outcomes they want to see, and how successful we were in achieving those outcomes so we can continually improve.



## Key issues:

- ▶ Engaging communities
- ▶ Social value

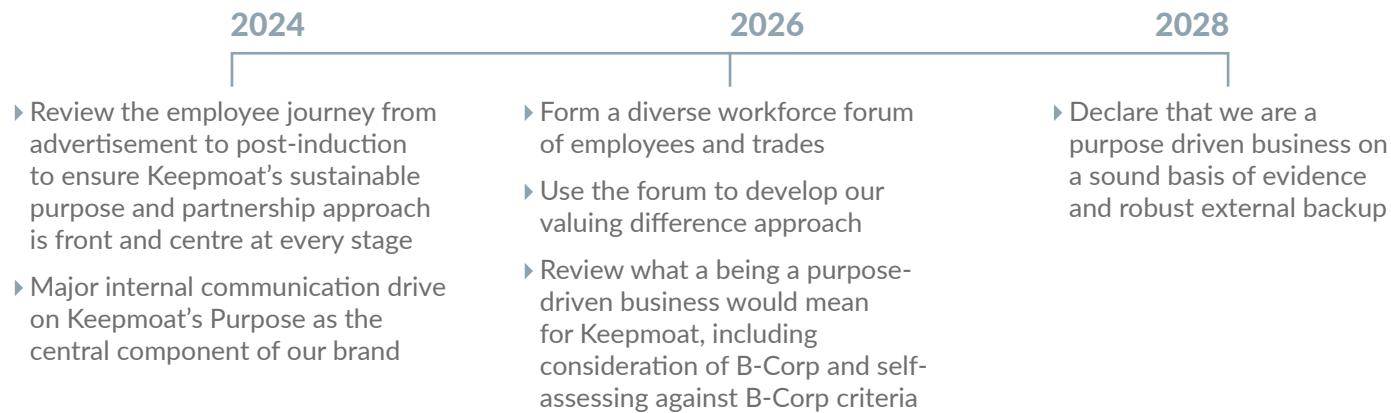
## Summary:

Enhancing social value in the development process, enabling more community participation in how we deliver it



# A BUSINESS WHERE PEOPLE WANT TO WORK AND GROW

Direct employees and those working for our trades want to work in an environment that values, respects and celebrates difference. This, plus our strong social mission ultimately leads to a healthy culture, better decision making and greater access to the best talent. Our focus on exciting sustainable partnership developments sets us apart as an employer of choice and we will make this a key part of our employer value proposition.



## Key issues:

- ▶ Workforce skills and availability
- ▶ Fairness, inclusion and respect
- ▶ Health, safety and wellbeing (wellbeing aspect)

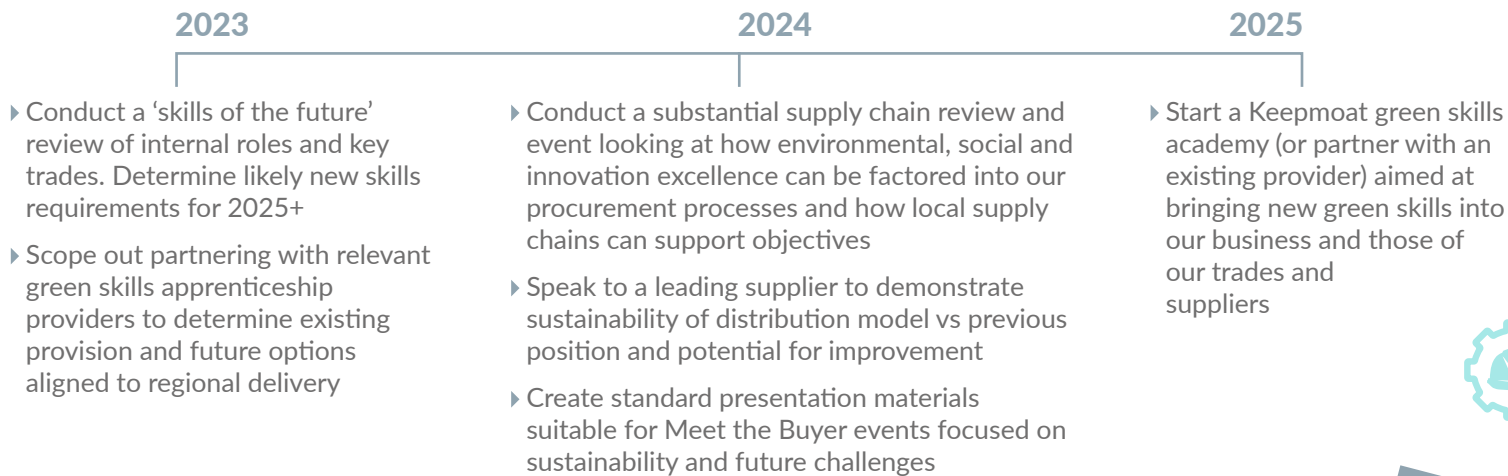
## Summary:

Enhancing recruitment and retention through the use of our sustainability / partnership / valuing difference credentials



# NEW GREEN SKILLS, JOBS AND BUSINESS OPPORTUNITIES

Housebuilding provides more than just homes. Our industry provides quality, skilled UK jobs directly and through the supply chain. The breadth and variety of the types of roles is often understated. The revolution in sustainable homebuilding offers new and exciting green skills opportunities for both future and existing employees to support a just transition. By building these skills we can enhance prospects for the communities in which we build while ensuring we are contributing to developing the future workforce the industry needs.



## Key issues:

- ▶ Local economic value
- ▶ Workforce skills and availability

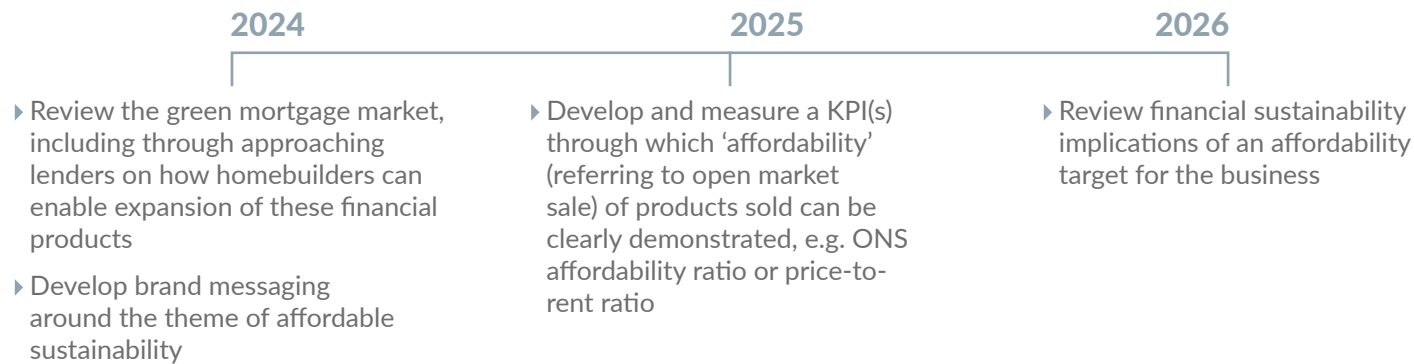
## Summary:

Creating a pipeline of green skills and improved supply chain sustainable capacity for the industry



# HOMES WITHIN REACH

The average UK house price is £294,000 (UK HPI, Dec 22), however the average sales price of a new build home in England is £425,000<sup>1</sup>. This excludes many people from the buying market who must rent from the private sector at high cost, making it harder still to save for a deposit. High fuel bills in older, less efficient homes can exacerbate this. Through our partnership model and land buying choices, Keepmoat makes new high quality and efficient homes accessible to greater numbers of people through low selling prices and mortgage accessibility without compromising on the customer experience.



## Key issues:

- ▶ Homeownership – Affordable prices; suitable mortgage product availability (high ltv); suitable financial and legal advice for customers
- ▶ Multi-tenure homes – strong relationships with delivery partners (RPs & PRSOs); track record of delivery; level of commercial offer; HE grant support

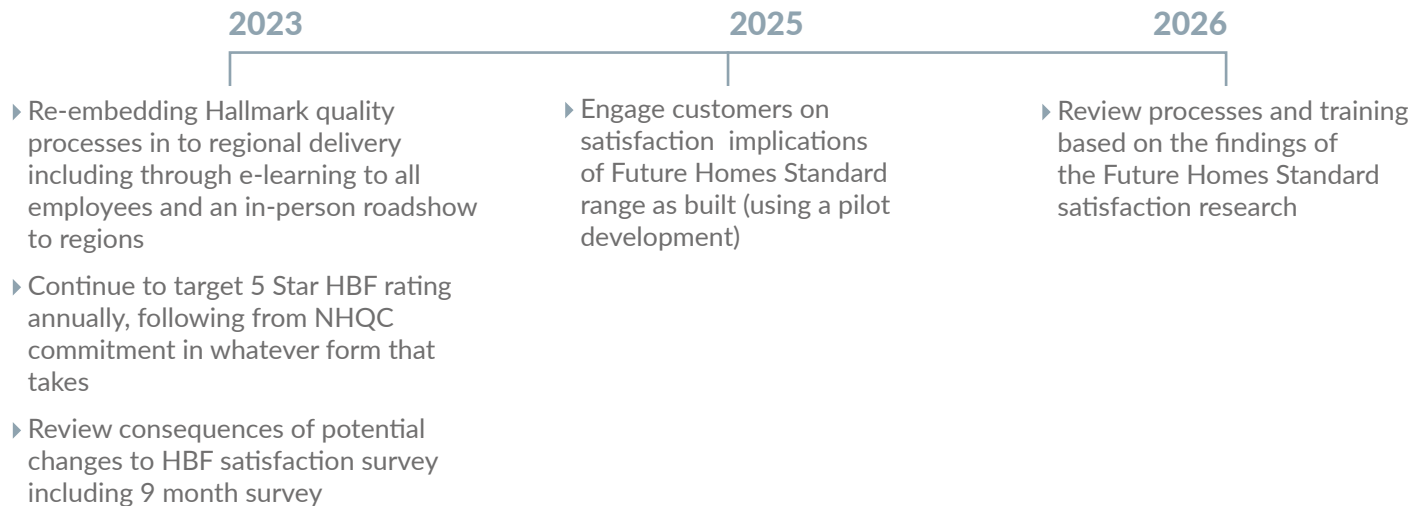
## Summary:

Sustainable communities require a housing offer that reaches from first-time buyer homes to aspiring family homes, but also offer a complement of multiple tenures from social rent, intermediate rent, shared-ownership and private rent homes.



# GREAT CUSTOMER JOURNEY

The arrival of the New Homes Quality Code (NHQC) sets clear expectations for what customers may expect from their service, from marketing and sales through to aftercare. These expectations are now backed up by a New Homes Ombudsman if customer complaints are not resolved in a satisfactory way. Keepmoat is committed to the new Code, and to ensuring we delight enough customers to receive a 5 Star rating from the HBF year on year. The challenge is to ensure we continue to this as housing undergoes its most significant changes in decades in particular due to the Future Homes Standard.



## Key issues:

- ▶ Quality

## Summary:

Ensuring that our customers are delighted with their experience of purchasing a home





# GREEN AND HEALTHY PLACES OF THE FUTURE

A well planned and designed place has been created with the future in mind - enabling residents to travel to work, leisure and amenities by green and active healthy forms of travel. It has been designed to consider changes to weather patterns that will be experienced in later years and to ensure nature and wildlife has a place alongside people.



## Key issues:

- ▶ Nature
- ▶ Healthy living places
- ▶ Transport links
- ▶ Weather resilient places
- ▶ Low carbon / active travel
- ▶ Community energy generation

## Summary:

Placemaking that incorporates best practice and is resilient to a changing climate



# HOMES FOR SUSTAINABLE LIVING

We have a significant part to play in achieving a net zero Britain, by creating homes which enable ultra low carbon lifestyles. This will be done in such a way that homes remain affordable to buy and run, and that are comfortable and easy to use for customers. Our homes will be designed to reduce pressure on water and other natural resources and to reflect changing lifestyles and demographics.

2024	2025	2030
<ul style="list-style-type: none"><li>▶ Partner with Birmingham City University in researching design and build of low carbon homes at our Gedling pilot scheme including on operating behaviour of occupiers. Partner with other research institutions in development of the Future Homes Standard.</li><li>▶ Finalise design routes and components choices for the Future Homes Standard</li><li>▶ Clearly communicate findings of low carbon pilots to inform practice</li></ul>	<ul style="list-style-type: none"><li>▶ All new homes built to the Future Homes Standard of a 75-80% carbon reduction in use (from a 2013 regulation baseline)</li><li>▶ Produce an internal report on further opportunities to save water in the specification of our homes</li><li>▶ Form a partnership to explore fresh water reduction approaches</li></ul>	<ul style="list-style-type: none"><li>▶ All new homes designed to be net zero carbon in use</li><li>▶ Trial advanced water reduction technologies on at least one home</li></ul>

## Key issues:

- ▶ Careful use of nature's resources
- ▶ Low carbon homes
- ▶ Air quality

## Summary:

Homes that are sustainable and low carbon in use



# SAFE AND ROBUST SITE MANAGEMENT

We will further great site management where raw material use is minimised, and waste is reduced as far as possible. Our construction environments will be healthy and safe, minimising disruption to residents and mitigating the risk of pollution incidents that may grow due to climate change.

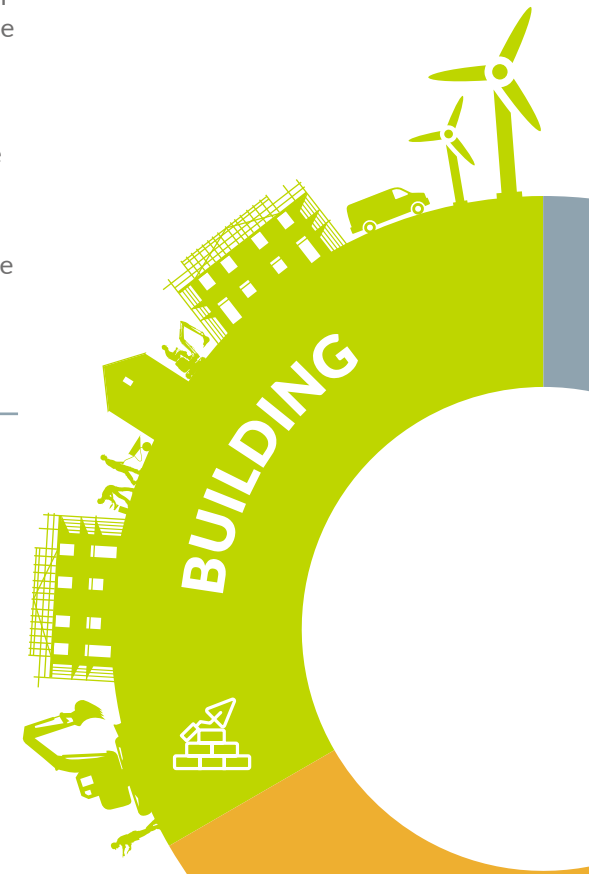
2023	2024	2025
<ul style="list-style-type: none"> <li>▶ Provide additional context to internal reporting of AIIR (RIDDOR accident injury rate) through benchmarking against HBF comparison rate</li> <li>▶ Produce and implement above-ground construction waste reduction/elimination strategy and roadmap. This will include consideration of resource-efficient design and build methods</li> <li>▶ Outline our climate-related construction risks (i.e. pollution risk and mitigation costs) in our FY23 Annual Report</li> </ul>	<ul style="list-style-type: none"> <li>▶ Set waste targets to report against for FY25</li> <li>▶ Conduct a scoping exercise on excavation and demolition waste, working with sub-contractors and demolition teams</li> <li>▶ Launch a major internal communications campaign on the issues of waste, diesel and pollution</li> <li>▶ Identify a development and site manager as a pilot for construction management excellence across key areas of sustainable construction.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Promote learnings from the exemplar site across the company and in the wider construction sector, developing an action plan for turning key learnings into business-as-usual practice e.g. through Site Manager Development Programme</li> <li>▶ Extend trials by nominating exemplar sites in each divisions</li> <li>▶ Put a waste intelligence portal in place to provide detailed information to inform further waste reductions</li> <li>▶ Review potential for external assurance of key construction site sustainability metrics</li> </ul>

**Key issues:**

- ▶ Quality (assurance)
- ▶ Safety, health
- ▶ Climate change impacts on construction
- ▶ Air quality
- ▶ Waste management

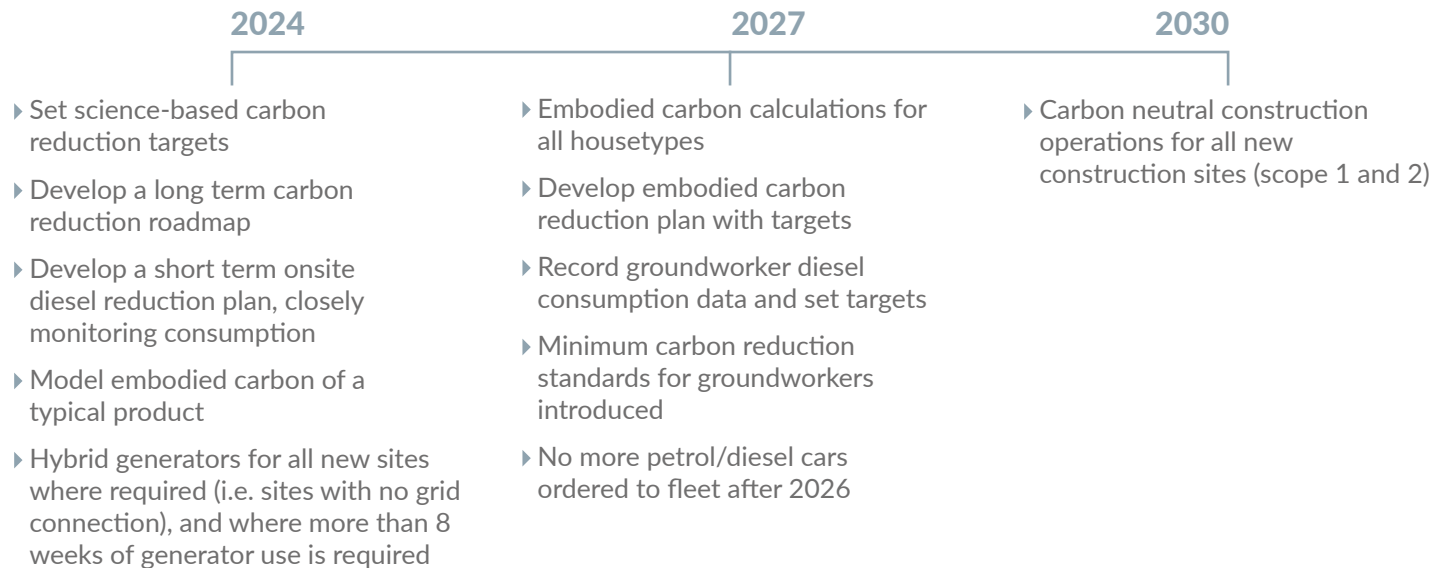
**Summary:**

Well managed construction sites



# TOWARDS ZERO CARBON CONSTRUCTION

In the building of a home, diesel - a fossil fuel - has the most significant impact on our direct carbon emissions and we will find ways to reduce, then eliminate it from our operations. But the greatest known carbon impacts of building are in our indirect operations - through groundworks services we buy, and manufacturing of materials that we use. We pledge to drive down these indirect emissions and explore different materials or ways to build with lower embodied emissions.



## Key issues:

- ▶ Carbon impacts in construction
- ▶ Air quality

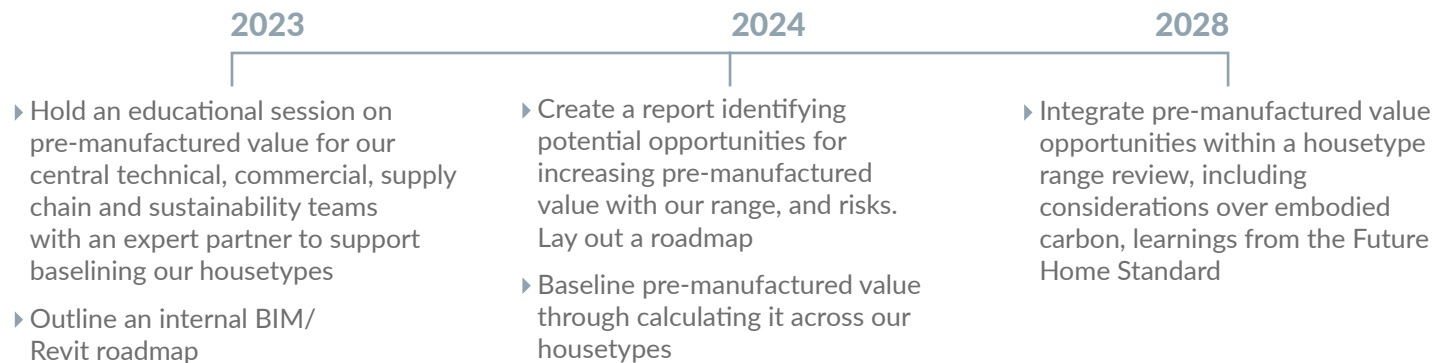
## Summary:

Reducing carbon emissions from the build process



# INNOVATIVE DESIGN, MATERIALS AND CONSTRUCTION

Over the past few decades digital technologies and new manufacturing methods have had enormous impacts on the way business is done and how things are made often with productivity, service and environmental advantages. Four out of the top five largest businesses in the world\* are in tech. We commit to continually exploring how different methods of building and designing can support our business and sustainability priorities.



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## Summary:

Ensuring we consider ways to increase innovation and productivity in design and construction

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# ROADMAP SUMMARY

2023

2025

2030

PEOPLE

- ▶ Social analysis of bricklaying hub
- ▶ Community engagement guide
- ▶ Review construction site sign in tool
- ▶ Social analysis of a development
- ▶ Refine engagement guide
- ▶ Net social positive developments
- ▶ Review sustainability in new employee journey
- ▶ Internal comms on sustainability in employer brand
- ▶ Review B-Corp maturity
- ▶ Diverse workforce forum
- ▶ Develop valuing difference approach
- ▶ Purpose driven business
- ▶ Skills of the future review into job roles
- ▶ Scope out green apprentice providers partner
- ▶ Sustainably supply chain event and review
- ▶ Review distribution systems with major supplier
- ▶ Standard Meet the Buyer event materials
- ▶ Keepmoat Green Skills Academy

LIVING

- ▶ Review green mortgage market
- ▶ Review branding affordability emphasis
- ▶ Affordability KPI
- ▶ Review potential for affordability target
- ▶ Embed Hallmark into processes
- ▶ Continue to target HBF 5-Star
- ▶ Review move to 9-week survey
- ▶ Assess customer satisfaction of Future Homes Standard home
- ▶ Review processes/training based on FHS assessment
- ▶ Review CAPEX proposals for Building for a Healthy Life
- ▶ Min. public transport for new land approvals
- ▶ Method for measuring placemaking quality through a KPI
- ▶ Integrate design review findings in guidance
- ▶ Baseline and set placemaking target
- ▶ Research occupant behaviour in low carbon home. Communicate.
- ▶ Finalise FHS design route
- ▶ 75-80% carbon reduction in all new homes
- ▶ Water saving partnership/ report
- ▶ Zero carbon homes in operation
- ▶ Advanced water trial

BUILDING

- ▶ Report AIIR vs HBF av. internally
- ▶ Waste roadmap
- ▶ Climate construction risk disclosed in annual report
- ▶ Set waste targets
- ▶ Scope demolition waste in strategy
- ▶ Internal comms on waste, diesel
- ▶ Identify exemplar site for study
- ▶ Promote learnings form exemplar
- ▶ Exemplar in each division
- ▶ Waste intelligence portal
- ▶ Examine potential for assurance of key site metrics
- ▶ Set science-based targets
- ▶ Long term carbon roadmap
- ▶ Short term diesel plan
- ▶ Model embodied carbon of product
- ▶ Hybrid generators for new sites
- ▶ End to combustion car fleet additions
- ▶ Embodied carbon calcs for all types
- ▶ Embodied carbon plan & targets
- ▶ Record groundworker diesel, set targets
- ▶ Min groundworker carbon standards
- ▶ Carbon neutral sites (scope 1+2)
- ▶ Educational sessions on PMV
- ▶ BIM/Revit roadmap
- ▶ Report and roadmap, PMV opportunities
- ▶ Calc PMV across housetypes
- ▶ Integrate PMV opportunities into a housetype range review considering embodied carbon and Future Homes Standard

# SUSTAINABLE DEVELOPMENT GOALS & GOVERNANCE



# SUSTAINABLE DEVELOPMENT GOALS

The United Nations Sustainable Development Goals are a framework of global environmental, social and economic goals to achieve a better, more sustainable world.

We have identified priority goals to which we can make the most significant contribution based on the objectives and targets that sit behind them.



- ▶ This Goal is about providing access to clean, renewable and affordable energy and improving energy efficiency.
- ▶ Keepmoat will contribute by building all-electric homes with high levels of energy efficiency at prices within reach.



- ▶ Goal 8 is not only about providing good quality work, but providing opportunities for all through the right kind of economic growth.
- ▶ Keepmoat will contribute by spending with local businesses, providing opportunities for disadvantaged groups and working towards decoupling growth from environmental harm.



- ▶ Goal 11 is potentially where Keepmoat can make the greatest contribution of all. It is about the way we design and build the places of the future where people will live and thrive, and making the process of doing so, participatory.
- ▶ We will build quality homes in great places, taking communities along with us on that journey.



- ▶ Goal 12 is about respectful use of largely finite raw materials through limiting their use, reducing waste and doing more in terms of re-use and recycling.
- ▶ Construction is resource-heavy and is (with excavation and demolition) responsible for over 60% of all UK waste\*. We can play a meaningful role in reducing that proportion.



- ▶ The Climate Action Goal (13) relates to reducing the greenhouse gas emissions that cause climate change.
- ▶ It is also about ensuring that places are resilient to the climate change that is set to occur.
- ▶ Keepmoat can play an important role in both of these aspects from the way we build, to the places we design.



- ▶ The world is experiencing a loss of biodiversity due to land use change, deforestation and agricultural methods.
- ▶ Through sensitive design and building practices and through careful sourcing choices we can limit harmful impacts on nature and even create new spaces which allow nature to thrive.

\*DEFRA (2020) UK statistics on waste

# GOVERNANCE AND BUSINESS ETHICS

Our progress on sustainability is underpinned by a strong commitment to corporate governance principles and business ethics, embedded across the business and into our sustainability strategy.

## Accountability

The Executive Team, headed by the Chief Executive Officer is ultimately accountable for the delivery of the actions in this strategy. The Executive's Sustainability Committee meets quarterly. The Executive Team are accountable to internal and external stakeholders groups who were rigorously engaged in determining the material issues on which this strategy is focused.

- ▶ Our governance structures were changed to better represent sustainability in 2022.
- ▶ We will review our Terms of References for key committees in 2024, considering frameworks such as the Wates Principles and Corporate Governance Code.
- ▶ We are now accountable to the New Homes Ombudsman service on our service to customers and resolution of complaints.

## Transparency

Performance against this strategy will be disclosed in our annual report and accounts to provide a fair and accurate representation of progress.

Quality and reliable data to support narrative where required will be supported by:

- ▶ Recruitment of a Graduate ESG Analyst in 2023 into our Group Finance department.
- ▶ Our IT department and IT Director.
- ▶ Moving to Integrated Reporting for our FY26 annual report.

Transparency in customer services and sales is a aspect of the New Homes Quality Code to which we have signed up in 2023.

## Fairness

This strategy pays close regard to ensuring that a wide range of stakeholders are listened to in the process of our business activities e.g. through Engaging and empowering communities (our very first theme) and creation of a diverse workforce forum (A business where people want to work and grow). We ensure ethics are applied in our supply chain and business dealings through our anti-bribery and corruption processes and supply chain diligence.

- ▶ We will increase the numbers of our suppliers participating in our Achilles BuildingConfidence supplier audit network in 2023 to reduce risks of exploitation in the supply chain.
- ▶ Our existing Keepmoat HR Policies ensure a working environment based on fair practices and valuing difference.

Fairness in customer services and sales is a aspect of the New Homes Quality Code to which we have signed up in 2023.

## Responsibility

Embedded in this strategy is an acknowledgement that there are emerging ESG areas where we need to conduct discovery exercises, business reviews and do further strategic thinking before fully committing to a detailed approach.

During the course of the development of this strategy and the stakeholder engagement behind it, sustainability experts ran educational and prioritisation sessions with our Executive team. Our Executive team and Functional leads have been regularly engaged as this strategy developed.

We have an internal legal and governance department and engage our specialist panel solicitors on matters requiring niche legal expertise where required. We have a robust process in place for approval of capital expenditure on land.