

# MATERIALITY PROJECT 2022-2023

## “WHAT’S MOST IMPORTANT?”



# EXECUTIVE SUMMARY AND FINDINGS

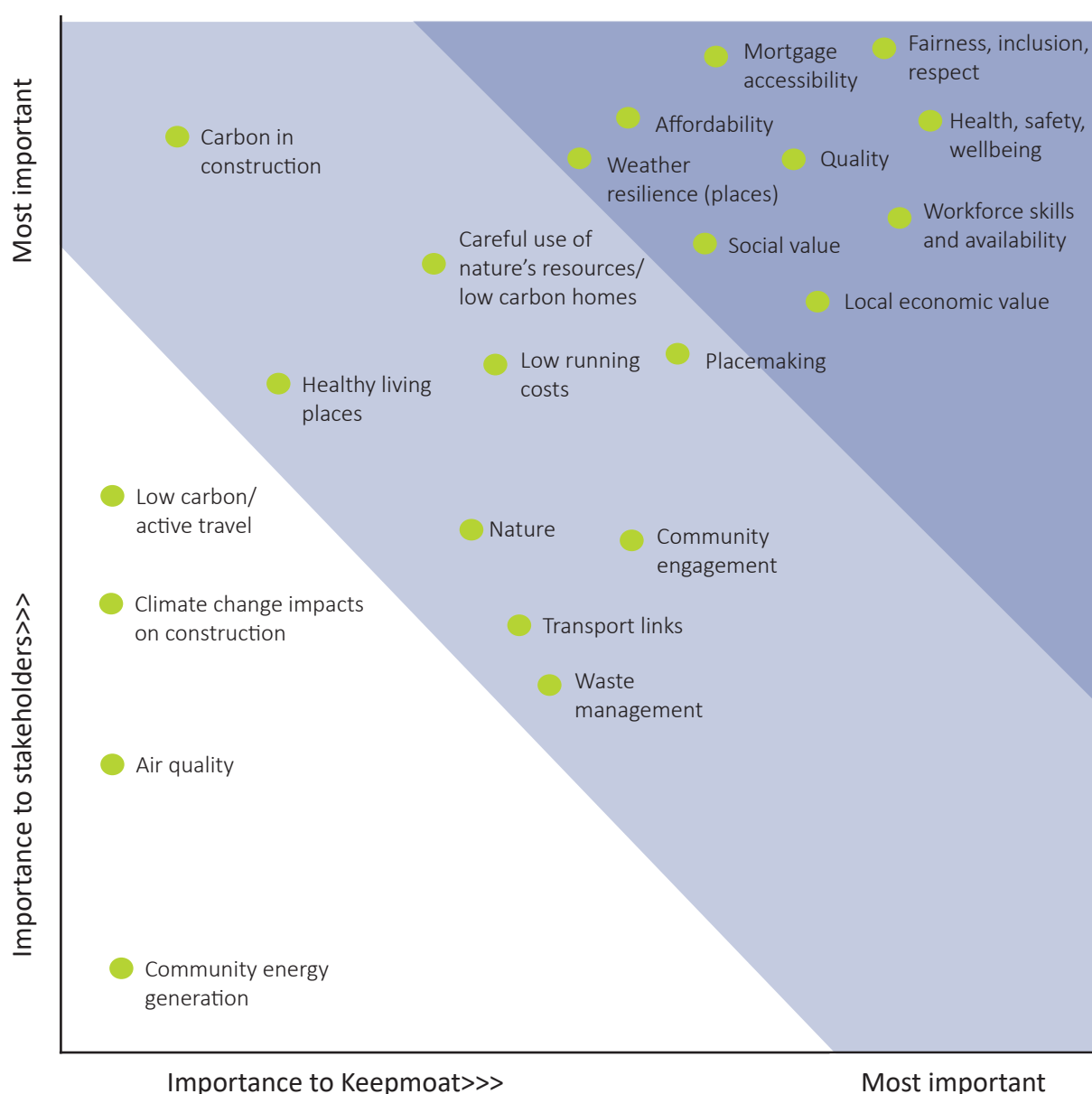
Keepmoat undertook a project to determine the environmental, social and governance (ESG) issues that are most important to our business and our stakeholders from July 2022 to January 2023.

Leading on the project was University of Sheffield's Grantham Centre for Sustainable Futures, and Gavin Milligan from Green Knight Sustainability Consulting.

Key issues were identified through interviews with Keepmoat stakeholders, desktop research using public and internal information, and comments on Home Builder Federation customer satisfaction surveys.

A long list of ESG issues determined from these sources was filtered by the Head of Corporate Sustainability and Senior Environmental Business Partner to obtain a short list of issues.

Keepmoat's Executive Committee then debated and prioritised the short list of issues according to business and stakeholder importance. All of the issues here range from "important" to "very important".



# STAKEHOLDERS DEFINED

These stakeholder segments were identified as an outcome of the assessment.

Finance	Colleagues	Suppliers	Statutory	Citizens
<ul style="list-style-type: none"><li>• Investors</li><li>• Corporate lenders</li><li>• Bond holders</li><li>• Mortgage lenders</li></ul>	<ul style="list-style-type: none"><li>• Existing</li><li>• Future</li></ul>	<ul style="list-style-type: none"><li>• Strategic</li><li>• Local</li><li>• Transactional</li></ul>	<ul style="list-style-type: none"><li>• Land providers</li><li>• Partners</li><li>• Regulators</li><li>• Registered providers</li></ul>	<ul style="list-style-type: none"><li>• Homebuyers</li><li>• In developments</li><li>• Around developments</li><li>• Broader society</li></ul>

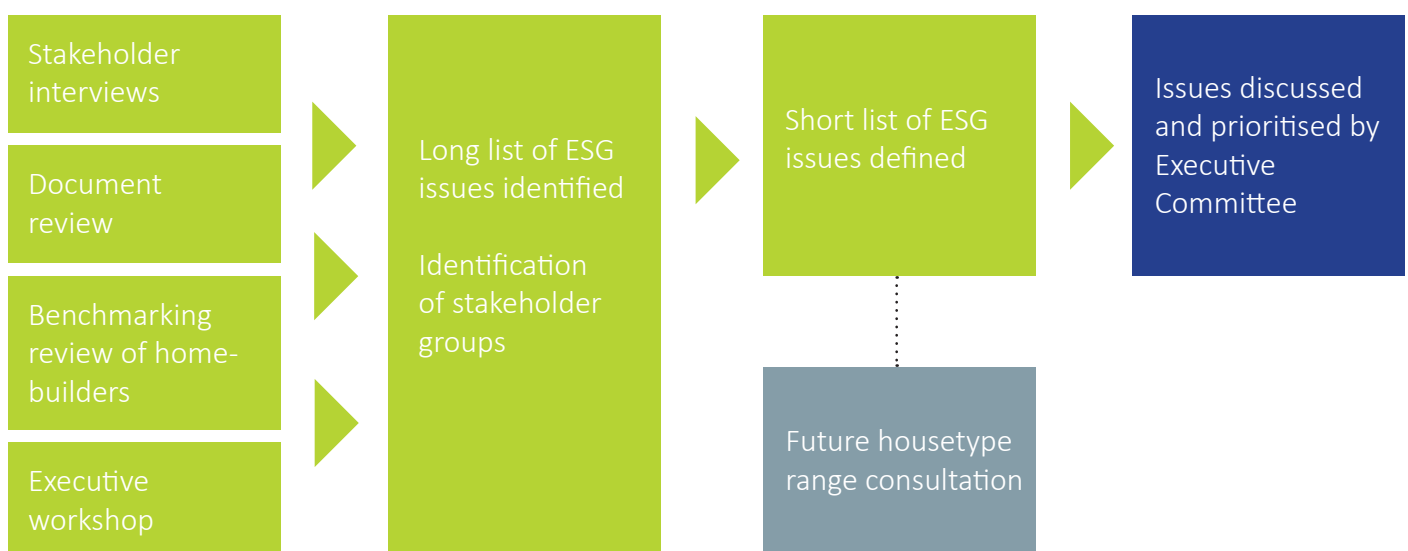
## WHAT IS A MATERIALITY ASSESSMENT?

A “materiality” assessment is a process to identify and prioritise the most important issues for a business to focus on. It ensures:

- That a broad range of direct and indirect risks and opportunities are considered beyond those which are directly financial.
- That key external and internal stakeholders are being included in defining what these issues are.
- To avoid undue focus on less important issues at the expense of more important ones.
- It shows a defined and documented process for how issues are discovered, prioritised and de-prioritised.

It is good practice to undertake or refresh these assessments every few years to reflect changes over time. For example, Keepmoat’s last materiality assessment in 2019 took place before the COVID-19 pandemic. The pandemic is thought to have greatly changed perceptions and behaviours in relation to issues such as physical and mental health, home-working and commuting and living priorities.

## PROCESS



# KEY ELEMENTS OF ASSESSMENT

38

Interviews

- Semi-structured interviews July-August 2022
- Conducted by University of Sheffield
- Colleagues, partners and suppliers interviewed
- 1,000 pages of interview notes analysed
- Anonymised due to University ethics policy

4

Reviews

- ESG strategy review by University of Sheffield
- Consultancy report into climate-related risks and opportunities
- University of Sheffield review into Taskforce for Climate-related Financial Disclosure readiness
- Customer comments via Home Builder Federation Customer Satisfaction Surveys

1

Study

- A benchmarking analysis of the material issues identified by major UK Homebuilders
- Same homebuilder list as considered in the ESG strategy review (see above).

2

Workshops

- Executive workshop on risks and opportunities run by Shaun McCarthy OBE of Action Sustainability (5<sup>th</sup> December 2022)
- Executive Issue prioritisation workshop run by Gavin Milligan of Green Knight Sustainability Consulting (16<sup>th</sup> January 2023). This included discussion of shortlisted key issues and the extent to which they were priorities of stakeholders and the business.

## HOUSETYPE CONSULTATION



Tim Beale, CEO at the housetype range consultation

Keepmoat held a cross regional, multi-function consultation event to discuss an upcoming 2025 housetype range design near Derby on 10<sup>th</sup> January. The day included several interactive activities to collectively discuss and record a range of views and needs from across the business, centred around four main themes:

- Drivers For Change
- Designing For Growth and Resilience (Including Maximising Value)
- Understanding Our Markets
- Supporting Regional Delivery

The event forms the second stage of the information exchange between regions and central departments, seeking views and expertise from across the business to inform the formulation of the new housetype range brief.

Issues raised at the event helped inform the shortlist and prioritisation of ESG issues.

# APPENDIX: ISSUE DESCRIPTORS

## **Fairness, inclusion and respect**

Creating happier workplaces through respecting different lifestyles, circumstances and characteristics.

## **Health, safety and wellbeing**

Safe working environments which reduce risk and promote good physical and mental wellbeing.

## **Quality**

Homes, sales and aftercare that has been completed to the standard customers expect and colleagues can be proud of.

## **Mortgage accessibility**

The ability of customers to access mortgages required to purchase a suitable home, and provision by lenders of those products.

## **Workforce skills and availability**

Ability for the business to retain and recruit people directly or indirectly with suitable skills and ability.

## **Affordability**

Ability for people on average incomes to purchase a home.

## **Social value**

Enhance social, environmental and economic outcomes for communities through business activity.

## **Local economic value**

Enhance local economic activity through inducing employment, spending with and supporting local businesses.

## **Placemaking**

Designing developments to maximise both aesthetic and sustainable outcomes (e.g. Building for a Healthy Life guide).

## **Low carbon travel**

Encouraging residents and employees to make low carbon travel choices e.g. electric vehicles through EV charging.

## **Careful use of nature's resources/ low carbon homes.**

Homes which limit environmental impact.

## **Low running costs**

Designing homes so that running costs (primarily utilities bills) are kept to a minimum for the occupier.

## **Home water efficiency**

Designing homes so that freshwater use by the occupier is minimised.

## **Community engagement**

Involving communities in shaping the construction of the built environment around them and associated activities.

## **Healthy living places**

Designing places which encourage healthy lifestyle choices e.g. exercise and fruit and vegetable consumption.

## **Transport links**

Choosing land with good public transport connections and/or encouraging greater resident public transport use.

## **Carbon in construction**

Reducing emissions during the construction process including by using lower carbon materials and methods.

## **Waste management**

Reducing construction waste, encouraging recycling, re-use and 'closed loop' and circular economy methods.

## **Climate change construction impacts**

Mitigating increased construction risks from a changing climate e.g. flooding and dust in wet and dry weather.

## **Air quality**

Ensuring that residents and communities have access to air with minimum dust and particulate pollution.

## **Community energy generation**

Resident access to district energy and heating solutions as an alternative or supplement to grid energy.

## **Weather resilience**

Home and developments are resilient to more extreme weather impacts, which are made more likely due to climate change.