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

1,929
Tonnes of waste reduced

3%
Of staff trained as mental health first aiders

51%
Safety improvement (AIIR)

19%
Homes built using modern methods of construction

80%
Of sites are brownfield
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 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.
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
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.

**LEADERS**
- Approve policies, strategy and commitments
- Provide direction and champion sustainability
- Provide required resources to achieve commitments
- Approve initiatives and actions at HSS Committee

**COORDINATORS**
- Develop strategy, headed by the Health, Safety & Sustainability (HSS) Director
- Provide updates on implementation and reviews progress at sustainability committee
- Sustainability Team coordinate and support functional initiatives
- Sustainability Team provide tools and processes for functions
- Sustainability Team monitor and report on performance

**IMPLEMENTORS**
- Deliver sustainability initiatives as part of operations
- Sustainability Team supports functions with bidding, innovation, embedding sustainability, monitoring progress and communications
- Social & Economic Impact (SEI) Managers deliver sustainability initiatives in communities around Keepmoat Homes developments
- SEI Managers work closely with Sustainability Team to ensure national alignment and coordination
- Regional and Functional teams agree implementation projects and review progress at HSSIP meetings
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.

**Materiality Process**

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Issue Identification</strong></td>
<td><strong>Internal stakeholder interviews</strong></td>
<td><strong>Stakeholder surveys</strong></td>
<td><strong>Analysis and review</strong></td>
<td><strong>Output used to refine strategy</strong></td>
</tr>
<tr>
<td>Development of a long list of issues based on business strategy and external standards and requirements</td>
<td>Internal interviews with key stakeholders to refine the long list</td>
<td>Quantitative and qualitative surveys with stakeholders including shareholders, employees, clients, contractors, suppliers and NGO’s</td>
<td>Responses from stakeholders weighted by influence and analysed to inform materiality</td>
<td>Results of the materiality assessment used to refine strategy, priorities and align to 8 SDGs</td>
</tr>
</tbody>
</table>
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

**KeepWell**
Supporting the health and wellbeing of our staff, our sub-contractors 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

## 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

## 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
## Corporate Citizenship

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

<table>
<thead>
<tr>
<th>Goals</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>By 2023 deliver net gain in biodiversity for all Keepmoat Homes developments</td>
<td></td>
</tr>
<tr>
<td>Reduce significant environmental incidents and increase environmental hazards observed</td>
<td></td>
</tr>
<tr>
<td>Develop green spaces which support communities alongside biodiversity</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>KPIs</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Biodiversity net gain processes developed in 2020</td>
<td></td>
</tr>
<tr>
<td>3 biodiversity case studies per annum</td>
<td></td>
</tr>
<tr>
<td>10% reduction in significant environmental incidents per annum</td>
<td></td>
</tr>
</tbody>
</table>

## Sustainable Business

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

<table>
<thead>
<tr>
<th>Goals</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Youth &amp; community education and training initiatives in all Divisions</td>
<td></td>
</tr>
<tr>
<td>Maintain our 5% Club status by increasing ‘earn and learn’ training opportunities.</td>
<td></td>
</tr>
<tr>
<td>Sustainability competency programme for employees and sub contractors</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>KPIs</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintain our Cornerstone Employer status preparing young people for work</td>
<td></td>
</tr>
<tr>
<td>Publish at least 6 community case studies each year, with associated social value</td>
<td></td>
</tr>
<tr>
<td>Development and launch of environmental competency programme in 2020</td>
<td></td>
</tr>
</tbody>
</table>
## Sustainable Business

### Safe & Sustainable Operations

**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

---

### Sustainable Homes

**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

---

### Efficient operations & Zero Net Waste

**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
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, Keepmoat Homes 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.
<table>
<thead>
<tr>
<th>OUR SUSTAINABILITY FOCUS &amp; TIMELINE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2020</strong></td>
</tr>
<tr>
<td><strong>Corporate Citizenship</strong></td>
</tr>
<tr>
<td><strong>Calculating Social Return on Investment</strong></td>
</tr>
<tr>
<td><strong>Surface Water Management</strong></td>
</tr>
<tr>
<td><strong>Energy Procurement</strong></td>
</tr>
<tr>
<td><strong>Sustainable Procurement Review</strong></td>
</tr>
<tr>
<td><strong>CHAS Premium Plus</strong></td>
</tr>
<tr>
<td><strong>Sustainable &amp; low carbon homes trials</strong></td>
</tr>
<tr>
<td><strong>Waste optimisation &amp; Materials Management Plans</strong></td>
</tr>
<tr>
<td><strong>Buying recycled</strong></td>
</tr>
</tbody>
</table>