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### **Persimmon Environment Policy**

Persimmon plc is one of the UK's leading housebuilders, with regional offices and developments throughout the country. We recognise that our activities have an impact on the environment and that we have a responsibility to consider and minimise these impacts where possible. This commitment is formalised through our Environment Policy, which forms a key part of Persimmon's overall approach to Corporate Responsibility (CR).

We place great emphasis on designing our developments to be in keeping with the character of an area, and to protect and enhance the local environment and surroundings. We aim to make a positive contribution to the communities in which we work.

We actively comply with relevant environmental legislation and throughout the planning and building of our new developments we adhere to local planning guidance and building regulations.

We have reviewed our environmental impacts and identified those which are the most important for us to monitor and control. As a result we endeavour to:

- Adhere to the principle that the homes we design and build are inherently efficient, this being achieved through design and construction, without the need to use additional technologies to improve energy efficiency,
- Procure and use materials efficiently during the house building process, including the use of locally sourced materials, existing materials on site and recycled materials when appropriate,
- Minimise the amount of waste we produce through effective design and on-site management,
- Make the most efficient use of land, including the regeneration of redundant or contaminated land,
- Protect and enhance the natural habitat and local surroundings throughout the development process,
- Prevent pollution occurring at our sites.

In these areas, we regularly monitor and review our progress. This policy forms the basis of our Environmental Management System (EMS), which is implemented across our business. This includes detailed guidance and procedures relating to our environmental impacts and how to minimise these impacts during the planning, design and construction of our developments.

We understand that our stakeholders are interested in how we manage our impact on the environment and how we are performing. We also appreciate that they may provide views and opinions that can strengthen our approach to environmental management. We will openly communicate on environmental issues with interested parties and report on progress at regular intervals on our website. We will provide training appropriate to our employees' particular environmental responsibilities to ensure that they are aware of our environmental impacts and their role in managing them.

Our performance is monitored and reviewed by the Persimmon CR Committee, a committee of senior management and representatives from across the Group. Responsibility for implementing this policy rests with the Managing Directors of each of the Group's operating businesses. On each site, the Site Manager is responsible for the day to day management of environmental issues and ensuring adherence to our policy.

Our Environmental Policy, first introduced in 2002, is reviewed annually to ensure its continued relevance to our business operations and our approach to Corporate Responsibility.

**Jeff Fairburn**  
**Group Chief Executive**  
**22 February 2017**

### **1. Introduction**

Persimmon plc is one of the UK's leading volume house-builders, with regional offices and developments throughout the country. We recognise that our activities have an impact on the environment and that we have a responsibility to consider and minimise these impacts, where possible, throughout our activities. This commitment is formalised through our Group Environment Policy (see point 5 below).

Responsibility for environmental management rests with the Persimmon CSR Committee, comprised of senior management and representatives from different functions across the business, and forms part of Persimmon's overall approach to Corporate Social Responsibility (CSR).

The Committee takes regular account of the significance of environmental matters to the business on behalf of the Board and ensures that adequate policies and procedures are in place to manage any risks. They are also responsible for ensuring that the Group Environment Policy and procedures are reviewed and updated on a regular basis.

This manual provides a structured approach to managing environmental issues and defines the Persimmon Environmental Management System (EMS). This system has been developed to be simple and appropriate to the needs of the business, whilst acknowledging the principles of recognised standards, such as ISO140001. However, there are no current plans to seek certification to such a standard.

Each operating business must be aware of the environmental issues associated with the construction process, their obligations and the potential risks and opportunities that may be present. This manual provides guidance on this, and references other useful information. However, much of this has been carried out on construction sites for many years and is recorded in various internal manuals and documents across the business. The purpose of this manual is to draw together this best practice into single reference manual for the business.

This document does not replace advice and guidance provided in the Persimmon Group Construction Safety Manual or other documents nor does it replace contact with regulators or provide detail on legislation and compliance. Detailed advice should always be sought from the local Construction Director, Group Health and Safety Director or the Group Legal Director.

All staff should also be aware of policies, procedures and guidance set out in this manual. These include:

- Local Boards of Directors
- Senior management in each operating business
- Technical departments
- Designers
- Buyers
- Health and Safety Advisors

However the information provided in this document is primarily focussed at five groups of staff:

- Construction Directors
- Contracts Managers
- Site managers
- Site Engineers
- Quantity Surveyors

This manual is intended for internal use only, although extracts may be provided to external stakeholders, if deemed appropriate by the CSR Committee.

### **2. Benefits of environmental management**

Adopting an environmental management system is an important step in developing good environmental practice throughout the Company. Whilst ensuring Persimmon minimises its impact on the environment, there are a number of other benefits from adopting good practice. These include:

- Prevention of damage to our natural environment.
- Fewer disturbances to neighbours and local communities.
- Improved opportunities to tender.
- More efficient use of materials and reduced waste.
- Fewer environmental incidents and reduced risk of prosecution.
- Better relationships with regulators, planners and other public bodies
- Less time and money spent repairing environmental damage.
- Improved reputation and profile.

### **3. Environmental obligations**

There are a number of environmental obligations to which the Company must adhere. These have both legislative and contractual origins and include:

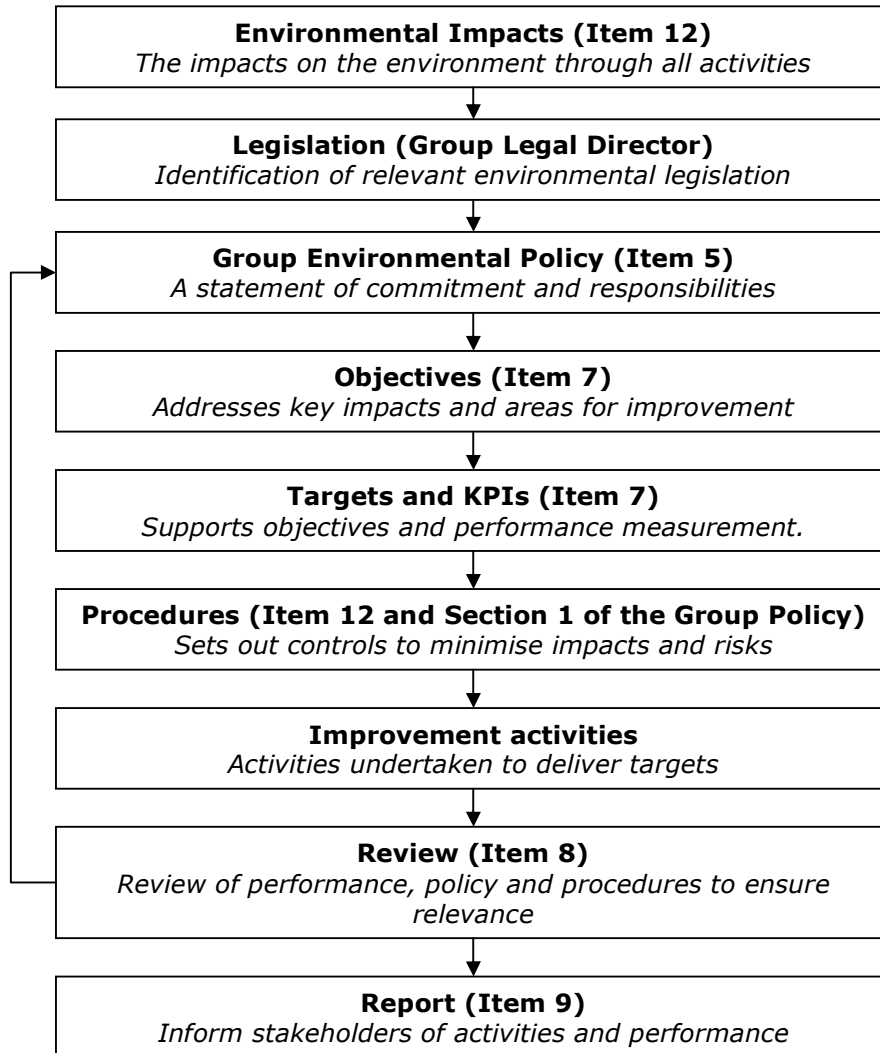
- Environmental conditions included within contracts and planning consents.
- Legislation and regulation, including the Environmental Protection (Duty of Care) regulations.
- Requirements imposed by local authorities (e.g., under the Planning Acts).
- Corporate control and governance.

Detailed information relating to relevant environmental legislation can be provided by the Group Legal Director. For additional information relating to the Environmental Protection (Duty of Care) Regulations, see Group Policy Section 3 item 13 of the Construction and Generic Risk Assessment Manual

**4. The Persimmon Environmental Management System**

The Persimmon Environmental Management System (EMS) covers all aspects of the Group’s business and relates to all operating businesses. It provides a practical framework within which environmental issues can be managed and the Company’s environmental impacts minimised. This is described in the diagram below:

**Diagram illustrating the elements of the Persimmon EMS**



### **5. Group Environmental Policy**

The Group Environmental Policy was first established in March 2003 and has been approved by the Group Chief Executive. This policy sets the principles behind all our environmental activity. It is reviewed on an annual basis and is publicly available on the Persimmon website.

Persimmon places great emphasis on designing its developments to be in keeping with the character of an area, and to protect and enhance the local environment. Through the reclamation and remediation of previously developed land we aim to improve the local environment. We actively comply with relevant environmental legislation and throughout the planning and building of our new developments we adhere to local planning guidance and building regulations.

We have identified three main priority areas where we intend, where practicable, to minimise our impacts. These priority areas are:

- Make efficient use of materials and minimise the waste generated from our sites;
- Prevent pollution occurring at our sites;
- Ensure that the natural habitat and environment is protected throughout the development process.

We will set objectives and targets, where appropriate for our most significant impact areas and will monitor and review our performance against these. In addition, we will review our policy on a regular basis to ensure its relevance.

We understand that our stakeholders are often interested in how we manage our impact on the environment and how we are performing. We will openly communicate on environmental issues with any interested parties and report on progress at regular intervals on our website. We also intend to ensure our employees are aware of our environmental impacts and their role in managing them, particularly for potential instances of pollution at our sites.

This policy is implemented and monitored by a steering committee of senior executives and representatives from across the business. The CSR Committee will review progress against our objectives on a frequent basis and will ensure that our approach is fully coordinated with other organisational policies and initiatives.

### **6. Responsibilities and implementation**

The Persimmon CSR Committee is responsible for establishing the Group Environmental Policy and Environmental Management System within the Group. The Committee is also responsible for the regular review and updating of policies and procedures. The Committee will also set Group objectives and targets where appropriate.

Through this Committee, the Group Legal Director is responsible for providing appropriate advice on environmental legislation.

It is essential that Directors of each operating business translate the decisions of the CSR Committee into action for their particular operating business and ensure that the Group Environmental Policy is communicated to all employees. The Directors must also ensure that the guidance and procedures referenced in this manual are made available to all site staff, particularly to Site Managers.

For each development, the Construction Director and Contracts Manager are responsible for ensuring that environmental practices on site are monitored (including periodic environmental inspections - see Section 3, Appendix A). They are also responsible for liaising with the local regulatory authorities where necessary.

## **PERSIMMON GROUP – Environmental Management System**

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This is supplemented by regular visits by health and safety advisors, who also review environmental practices on site as part of the regular health and safety inspection process.

On each site, the Site Manager is responsible for the day to day management of environmental issues and ensuring that environmental procedures contained within this manual are implemented. These responsibilities are assigned as part of the workload of the Site Manager alongside quality assurance and health and safety.

Site Managers are also responsible for implementing the environmental emergency incident procedure (see Section 8.14) in the event of environmental incident, such as an oil spillage, occurring on site.

All employees are expected to adhere to environmental procedures and guidance set out in this manual and to provide feedback and suggestions for improvements where appropriate.

### **7. Objectives and Key Performance Indicators**

The Group Environmental Policy is supported by objectives in the Group's most significant environmental impact areas. The CSR Committee is responsible for setting and reviewing these objectives on an annual basis.

Environmental performance is measured using a series of key performance indicators (KPIs). These are developed and monitored on a regular basis by the CSR Committee.

Environmental objectives and business' performance against them is reported annually in the Persimmon Corporate Responsibility Report, published on the Company website.

### **8. Review**

Each element of the EMS requires review over different timescales. The CSR Committee is responsible for ensuring that each component is reviewed according to the table below.

| <b>Component</b>        | <b>Frequency of review</b>                          |
|-------------------------|---|
| Impacts                 | 2 years or any significant change in business       |
| Policy                  | 1 year  |
| Objectives and targets  | 1 year  |
| Procedures and guidance | 2 years or in line with new legislation or guidance |

### 9. Reporting on performance

Environmental performance is reported annually in the Persimmon Corporate Responsibility Report published on the Company website and in our Annual Report and Accounts. Information will also be provided to interested organisations and stakeholders, including investors and fund managers, if requested and considered appropriate by the CSR Committee.

### 10. Dealing with Regulatory Authorities

It is important to keep the regulators informed of activities during the planning process and operation of a site, as they are more inclined to be helpful if they know what is happening and why. This includes informing them in advance of potential problems or issues.

Whatever the size of the development, it is always advisable to contact the Environment Agency (if in England or Wales) or SEPA (in Scotland) and the relevant Local Authority as early as possible to discuss the project with them. They may be able to provide helpful advice on environmental issues of local importance of which we may not otherwise be aware.

Regulatory bodies will include:

- Local Authority Environmental Health Officers
- Environment Agency
- Scottish Environmental Protection Agency
- Health and Safety Executive
- English Nature
- Country Commission for Wales
- Scottish Natural Heritage
- County Archaeologist

These bodies welcome an early approach and this should be considered a valuable investment of time and effort. It is important to develop a dialogue with the officers who will be monitoring the development. This facilitates approval procedures and is likely to help if things go wrong.

In case of emergency (e.g. a pollutant spill into a water system) the Site Manager will contact the Environment Agency or SEPA immediately as part of the emergency procedures (Section 8.14). The incident hotline for both the agencies is **0800 807060**.

If other environmental issues should arise on site, the Site Manager must contact the relevant Construction Director who will alert the Environment Agency or other appropriate body.



**11. Legal considerations and preliminary planning issues**

Prior to development, the Land Department will commission a desktop survey to establish prior uses of a site. The results of this survey will be forwarded to the engineering contractor responsible for carrying out intrusive soil survey tests. This will assist them in determining the number and position of the trial pits from which core samples are to be taken. The results from the intrusive ground investigations will be used to determine, amongst other matters, what contamination is present on site.

The Company Solicitor will undertake relevant searches; including an Environment Agency search and Archaeological search in order to be appraised of any past pollution or archaeological remains which may be found on the site. The Land Department will report any findings arising from these searches or surveys in advance of the handover meeting so that all environmental and archaeological aspects of the development can be included in the site Health and Safety Plan.

Will this be the case?

Current health and safety legislation, namely the Construction Design & Management Regulations 1994 (CDM), require Persimmon, when acting as client to engage a Planning Supervisor to produce a Pre-Start Health and Safety Plan to identify significant hazards prevalent on site and to identify and detail how the risks from these hazards are to be controlled. The Groups hazard identification process will include consideration of environmental issues relating to our developments. The implementation, maintenance and monitoring of the controls together with non-compliance identification and investigation, will be undertaken by Persimmon, when acting as Principal Contractor, and records of these actions will be maintained in the Construction Phase Health and Safety Plan.

The Land, Technical and Construction Directors also have a responsibility to consider and review the potential environmental impact of the project on the broader natural environment and the built environment so that planned works have minimal impact in both areas.

**12. Significant impacts and guidance information**

The matrix below outlines what we consider to be the most significant environmental impacts of the Persimmon Group along with a reference as to where additional information or guidance can be found. The references refer to the numbered items in the Construction and Generic Risk Assessment Safety Manual - Section 3 of the Health & Safety Policy & Procedures

| <b>Impact Area</b>         | <b>Description of Impact</b>   | <b>Source of Guidance</b>  |
|----------------------------|--|--|
| <b>Air pollution</b>       | <ul style="list-style-type: none"> <li>Emissions from energy and fuel used in offices and vehicles.</li> </ul>   | <ul style="list-style-type: none"> <li>Fume Emissions (Section 3.12.3)</li> </ul>  |
| <b>Archaeology</b>         | <ul style="list-style-type: none"> <li>Uncovering and/or disturbance of undiscovered archaeological remains.</li> </ul>  | <ul style="list-style-type: none"> <li>Contact construction director immediately for guidance</li> <li>Damage to amenity and cultural heritage (Section 3 11.1.6)</li> </ul> |
| <b>Dust and Odours</b>     | <ul style="list-style-type: none"> <li>Dust created from demolition, crushing and excavation works; stock piling of loose materials (e.g. uncovered rubble); blowing out of concrete pipes; clearing top soil; site access (e.g., heavy vehicles travelling off road); and mixing of dry powders, such as plaster.</li> <li>Odours from vehicles left with engines running.</li> </ul> | <ul style="list-style-type: none"> <li>Dust (Section 3.12.1)</li> <li>Fume Emissions (Section 3.12.3)</li> </ul>   |
| <b>Ecology</b>             | <ul style="list-style-type: none"> <li>Inadvertent destruction of places inhabited by plants and animals.</li> <li>Interruption of wildlife movements.</li> <li>Fragmentation of the habits e.g., by features such as roads.</li> <li>Removal of hedgerows and other vegetation.</li> <li>Disturbance of wildlife (e.g., noise, vibration etc).</li> </ul>                             | <ul style="list-style-type: none"> <li>Hedges and trees (Section 3.12.10)</li> <li>Wildlife habitats (Section 3.12.11)</li> </ul>  |
| <b>Energy and fuel use</b> | <ul style="list-style-type: none"> <li>Energy used in offices for lighting, heating, and air conditioning</li> <li>Motor Fleet fuel consumption</li> <li>Energy and fuel used on site to power plant.</li> </ul>   | <ul style="list-style-type: none"> <li>Contact Group Company Secretary for further information or guidance.</li> </ul>   |

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|--|--|---|
| <b>Demolition and ground contamination</b>   | <ul style="list-style-type: none"> <li>• Disturbance of previously contaminated ground.</li> <li>• Windblown dust from loading vehicles or transportation.</li> <li>• Stockpiling of contaminated spoil or earth (that may leach contaminants) on clean soil.</li> <li>• Spillages of chemicals, diesel or oils.</li> <li>• Discharging of contaminated water into nearby watercourses.</li> </ul> | <ul style="list-style-type: none"> <li>• Pre- contract plan (Section 3.9.1)</li> <li>• Demolition phase (Section 3.9.2)</li> <li>• Hazardous materials or conditions (Section 3.12.6)</li> <li>• Asbestos (Section 3.12.7)</li> <li>• Waste Water and Ground Water (Section 3.12.12)</li> <li>• Group Waste Management Policy (see item 13 of this document)</li> </ul> |
| <b>Noise</b>                                 | <ul style="list-style-type: none"> <li>• Loud noise generated from general operation of sites, particularly piling, pneumatic tools, demolition and earthmoving.</li> <li>• Irregular or tonal noises such a reversing warnings, vehicle movement radios, shouting etc.</li> </ul>   | <ul style="list-style-type: none"> <li>• Noise Emissions (Section 3.12.4)</li> </ul>  |
| <b>Storage and use of fuel and chemicals</b> | <ul style="list-style-type: none"> <li>• Use and storage of fuel, oils, solvents, paints, varnishes and other chemicals on site during construction</li> <li>• Pollution of watercourse through spillage, mishandling or poor storage.</li> </ul>  | <ul style="list-style-type: none"> <li>• Control of substances hazardous to health (Section 3 7.0)</li> <li>• Fuels, Oils and Other Fluids Stored or Used on Site (Section 3.12.2)</li> </ul>   |
| <b>Suppliers</b>                             | <ul style="list-style-type: none"> <li>• Indirect impact on the environment through the behaviour of suppliers who source or manufacture the products we use.</li> </ul>   | <ul style="list-style-type: none"> <li>• Refer to the Persimmon Supplier Principles. For further information contact Group Company Secretary.</li> </ul>  |
| <b>Transport and traffic management</b>      | <ul style="list-style-type: none"> <li>• Emissions from company car and vehicle fleet.</li> <li>• Indirect emissions from supplier’s vehicle delivering materials to site and visitors.</li> <li>• Noise from vehicles on site.</li> </ul>   | <ul style="list-style-type: none"> <li>• Traffic Management Plan (Section 3.9.3)</li> </ul>   |
| <b>Vibration</b>                             | <ul style="list-style-type: none"> <li>• Excessive vibration caused by piling or demolition activities.</li> <li>• Low level vibration caused by site plant and equipment.</li> </ul>  | <ul style="list-style-type: none"> <li>• Vibration Levels (Section 3.12.5)</li> </ul>   |

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|----------------------------|--|---|
| <b>Waste and materials</b> | <ul style="list-style-type: none"> <li>• General office waste.</li> <li>• Waste generated on construction sites from materials and their associated packaging.</li> <li>• Demolition waste created on site, including the creation of some special wastes such as acids and alkalis (used in brick masonry cleaners), asbestos, lead compounds (used in some paints), solvents (used in paint and thinners) and tarry materials.</li> </ul>  | <ul style="list-style-type: none"> <li>• Group Waste Management Policy (See item 13 of this document)</li> <li>• The Environmental Protection (Duty of Care) Regulations (Section 3.13.0)</li> <li>• Hazardous materials or conditions (Section 3.12.6)</li> <li>• Asbestos (Section 3.12.7)</li> </ul> |
| <b>Water Pollution</b>     | <ul style="list-style-type: none"> <li>• Spillage of chemicals, diesel and other oils.</li> <li>• Contamination of ground waters through penetrative operations – e.g. piling, deep excavations.</li> <li>• Dewatering resulting in local subsidence and introduction of pollutants.</li> <li>• Run-off from disturbed ground into watercourses.</li> <li>• Direct disturbance or alteration of watercourses through works.</li> <li>• Pollution of watercourse through equipment washing</li> </ul> | <ul style="list-style-type: none"> <li>• Waste Water and Ground Water (Section 3.12.12)</li> <li>• Work On or Near Watercourses (Section 3.12.14)</li> </ul>  |
| <b>Water use</b>           | <ul style="list-style-type: none"> <li>• Water used at offices in kitchens, washrooms, vending machines and air conditioning systems.</li> <li>• Water used on site during construction processes e.g. mixing mortar etc</li> </ul>  | <ul style="list-style-type: none"> <li>• Contact Group Company Secretary for further information or guidance.</li> </ul>  |

### 13. Waste management and recycling

The Group has identified the area of waste production and subsequent management and recycling as one of the Group's main Key Performance Indicators.

The Group's policy is designed to be flexible and to allow waste segregation on site to take place on suitable developments and alternative methods to be used on smaller restricted sites.

It is expected that the Group's waste management policy will be introduced by all Group operating businesses during 2005. Further refinement in respect of segregation methods, recycling and waste production will be considered for amendment in 2005 and beyond by the CSR Committee as and when required.

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Monitoring and subsequent reporting of the success of the operations in terms of cost and recycling are vitally important in this procedure to enable the Group to record progress and be able to report in the annual CSR Report. Due consideration needs to be made by each operating business in respect of the contractors chosen. Only those that can manage and report on waste transactions will be employed.

The Group's policy on waste management and recycling is to primarily reduce the amount of waste produced on each and every site, to maximise waste segregation and recycling and as a result reduce to a minimum the amount of waste sent to land fill.

### **14. Dealing with waste management contractors**

Due to the requirement for accurate reporting of all our operating businesses waste transactions, only reputable waste management contractors will be used who have a proven track record in waste management and who have access to licensed facilities for disposal and recycling.

The Waste Management Contractors chosen must be able to report to the business on a monthly basis with details of the following:-

- Number of skips for each waste category
- Equivalent tonnage from each site for each waste category
- Cost per skip / waste category
- Total Cost per site

They must also be able to provide to the business a schedule of the quantities of material that have actually been recycled or sent to landfill. If waste material has been recycled the waste management contractor must provide details of what use the material has been put to for each of the categories noted above.

### **15. Environmental incidents and emergency procedures**

It is essential that all employees are aware of environmental incident procedures on a site and that these are adhered to. Environmental incidents must be reported on the Environmental Incident Report PHG/HS/031 (Section 3 Appendix B). This is particularly important in the case of pollution incidents and where quick and effective action can significantly reduced the damage that such an event may cause, as well as minimise the costs and impacts associated with the subsequent clear up operations.

In the case of an environmental incident occurring the Managing Director of the operating business and Group Health and Safety Director must be informed within 24 hours.

Guidance on the identifying and dealing with of an environmental incident and emergency procedures can be found in Section 3.11.