



gleeson

**Building Homes.
Changing Lives.**

Sustainability Report 2020

I am delighted to introduce Gleeson's 2020 Sustainability Report. This report outlines what we do, what we can do better and the targets that we have set to continue our development as a sustainable housebuilder.

Gleeson builds high-quality low-cost homes where they are needed for those that need them most, using local suppliers and employing local trades. Our colleagues are at the heart of Gleeson and we aim to create a workplace where everyone can achieve their full potential and can be fully engaged in the business regardless of their background.

We have a Safety First – Always culture which is embedded through our HomeSafe brand. HomeSafe ensures our working environment is safe for all employees, sub-contractors, visitors and customers.

We build homes for local people that are truly affordable, even for those on low incomes. The cost of buying a Gleeson home is significantly less than renting a similar home and can be as low as £59 per week for one of our two-bedroom semi-detached homes costing from just £97,995.

We believe that everyone should have the opportunity to purchase their own home and receive the security and benefits that home ownership brings. Five out of six of our customers are first time buyers and two thirds are key workers – those that at this time are keeping us safe, fed and healthy. We will continue building homes for those hardworking young first-time buyers that other developers ignore.

A working couple on the National Living Wage can buy a Gleeson home on any of our developments. We believe therefore that 100% of Gleeson Homes turnover is aligned with the UN's Sustainable Development Goal 11; "Sustainable Cities and Communities", the first target of which is achieving "access for all to adequate, safe and affordable housing".

James Thomson
Chief Executive, MJ Gleeson plc

Our commitment to a sustainable future

The Board places social responsibility at the heart of everything that we do. There are many things that the Company can feel justifiably proud of:

- we transform people’s lives through building and selling high-quality, low-cost homes
- we regenerate once-neglected areas into thriving communities
- we build homes for key workers
- we sell mostly to young, first-time buyers
- we are a real Living Wage employer

WHAT WE DO WELL



60% brownfield
Of our active build sites, 60% were previously brownfield; we build where others won't.



84% first-time buyers
Our customers are young, first-time buyers on low-to-mid incomes wanting to escape the "rent trap".



100% real Living Wage employer
We are accredited by the Living Wage Foundation for paying our employees the real Living Wage.



8% fewer reportable H&S incidents
Our Annual Incidence Injury Rate ("AIIR") reduced by 8% to five reportable injuries in the year.



64% key workers
Our Key Worker Priority Programme is designed to support those keeping us safe, fed and healthy.



Top quartile employee engagement
We are in the highest 25% of companies for employee engagement in an independent survey.



96% of waste recycled
Most of our waste is either recycled directly (87%) or is converted to energy (9%).



88% customer recommendation
Nearly nine out of ten of our customers would recommend us.



6% median pay gap in favour of women
We do not discriminate based on gender; we encourage women into all roles and reward our employees based on their role and performance.



Fair Tax
We have been awarded the Fair Tax Mark showing we pay our taxes fairly.



60 apprentices
We currently employ 60 apprentices across a range of disciplines in site - and office - based roles.



19 Mental Health First Aiders
We understand the importance of our employees' mental health and have a structure in place to support colleagues.

WHAT WE WANT TO IMPROVE

- **Health & safety**
Our incident rate (AIIR), 359 per 100,000 employees, is higher than the average reported by the Home Builders Federation.
- **Staff turnover**
Our staff turnover of 36% is higher than most other housebuilders.
- **CO₂ emissions**
Our scope 1 & 2 emissions per house sold are higher than many other housebuilders.
- **Customer satisfaction**
88% of customers would recommend buying a Gleeson home, which makes us a 4-star housebuilder.

OUR IMPROVEMENT TARGETS

- **Health & safety**
We will significantly reduce our incident rate and ensure that we are a safe place to work in every regard.
- **Staff turnover**
We will reduce staff turnover to at least the industry average or better.
- **CO₂ emissions**
We will reduce emissions by 20% to less than 2 tonnes per home sold within three years.
- **Customer satisfaction**
We will become a 5-star housebuilder within one year.

Our guiding principles

Our mission:

Changing lives by building affordable, quality homes. Where they are needed, for the people who need them most.

We exist to transform lives and make home ownership a reality for young people, low-income families and first-time buyers. Our approach is based around our impact on communities, people and the environment.

COMMUNITIES	PEOPLE	ENVIRONMENT
 <p>We build high-quality, affordable homes. A working couple on the National Minimum Wage can afford to buy a home on any Gleeson Homes development.</p> <p>Through our Community Matters programme we work closely with local residents to build and support a sense of pride and community by sponsoring local sports teams and other community activities.</p> <p>We use local suppliers and trades people wherever possible and pay them promptly.</p> <p>We pay our fair share of taxes. We are certified by the Fair Tax Mark for having achieved the highest standards of tax transparency and disclosure.</p> <p>We arrange school visits to development sites to educate children on the value of a career in house building, health and safety and the role of women in construction.</p>	 <p>We were the first listed housebuilder to be accredited by the Living Wage Foundation for paying our employees a “real” living wage.</p> <p>We are improving our health and safety culture, working practices and systems under our newly developed “HomeSafe” framework, including ensuring all of our sites are Covid-19 secure.</p> <p>We are supplementing our site health and safety inspections with the use of additional and dedicated NHBC health and safety inspections.</p> <p>We offer all employees access to confidential, third-party support on a range of health, wellbeing, financial, legal and counselling issues.</p> <p>We value our employees’ mental health as much as their physical health and have 19 trained Mental Health First Aiders across the business.</p> <p>The Group is continuing to develop and encourage more women into roles that have traditionally been male occupied. This includes better provisions on site for female employees and subcontractors.</p> <p>Our apprentices are tomorrow’s talent. We currently employ 60 apprentices (approximately 10% of staff) across a range of disciplines.</p> <p>We encourage employees to take part in the Gleeson share ownership plan which provides gifted shares.</p>	 <p>We build on brownfield land – 60% of our active and pipeline sites are on brownfield sites.</p> <p>We divert 96% of waste generated on our sites away from landfill, and we are looking at ways of improving our waste management.</p> <p>We source 99.9% of the timber we use in construction from FSC or PEFC certified sources.</p> <p>We want to improve our CO₂ emission and our immediate plans are outlined in Target 3.</p>

Our improvement targets

TARGET 1:

Health and safety incident rates (AIIR) will be significantly reduced.

Actions:

- Working-at-height safety systems and practices will be improved on all sites within one year.
- Site compound and welfare facilities will be improved on all new sites and those with less than one year to completion.
- Employee health and safety training will be reviewed, improved and the amount of training per employee increased during the year.
- Digital reporting on all accidents, incidents, audits and health and safety metrics will be introduced on all sites within one year.
- Independent health and safety inspections by the NHBC will be undertaken on all sites.
- Two new divisional health and safety managers roles will be created.

TARGET 2:

Staff turnover will be reduced to at least the industry average or better.

Actions:

- Review and improve the staff recruitment process including search, selection, interview and pre-start onboarding.
- Enhance our new starter onboarding process, increase personal development reviews and introduce post-probationary period reviews.
- Continue to increase our employee engagement initiatives by conducting regular management roadshows, engagement workshops and improving the frequency of staff communication.

TARGET 3:

CO₂ emissions per home sold will be reduced by 20% within three years.

Actions:

- Within one year all forklift trucks will:
 - be fitted with auto stop/start functions.
 - have lower carbon emitting engines.
 - include usage-tracking technology to monitor speed and idle time.
- Reduce the use of diesel generator fuel per site.
- 100% of electricity used in show homes, sales offices and site cabins will be sourced from zero carbon sources within one year.

TARGET 4:

Customer satisfaction: we will become a 5-star housebuilder within one year.

Actions:

- We have recently created a dedicated Customer Care team in each region.
- We have launched the Gleeson Quality Charter confirming our commitment to our customers.
- We will implement additional quality checklists prior to final inspection.
- We have engaged third-party inspectors to undertake additional, independent quality checks.



Our approach to sustainability is aligned with the United Nations Sustainable Development Goals (“UNSDGs”) as follows:



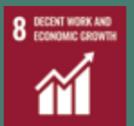
We promote the health and wellbeing of our employees through our Mental Health Pledge and have 19 trained Mental Health First Aiders.

We provide an employee assistance programme to support the health and wellbeing of employees.



We do not discriminate based on gender and have a 6% median pay gap in favour of women.

Women occupy 22% of our highest-paid jobs and 15% of our lowest paid jobs.



We are an accredited Living Wage Foundation employer and were the first listed housebuilder to be accredited.

We have an active apprenticeship programme; 10% of our workforce are apprentices.

We comply with modern slavery and trafficking legislation and ensure that all workers involved in the supply chain are free from slavery.



100% of Gleeson Homes’ turnover is aligned with achieving “access for all to adequate, safe and affordable housing”. This is the first target of UNSDG 11: “Sustainable Cities & Communities”.



We remediate brownfield land; 60% of our sites were previously brownfield.

We source 99.9% of our timber from FSC accredited sources.

We recycle or divert to energy 96% of our waste.

We have set a target to reduce Scope 1 & 2 carbon emissions by 20% within three years.

Case study

Carlisle Park, Rotherham, South Yorkshire



1

100 years of pollution

This site in Kilnhurst, South Yorkshire, had operated as a chemical works for over 100 years.

- It has acted as a bitumen processing plant, tar distillery, iron works and a forge. The site had been derelict for five years before Gleeson acquired it for development in 2012.



2

Heavily contaminated site

There were three major challenges to the development of the site:

- The land was heavily contaminated with non-aqueous phase liquids (“NAPL”) of petroleum carbons, solvents including phenols, and other less mobile polycyclic aromatic hydrocarbons.
- There were numerous un-surveyed foundations and obstructions from the former chemical works.
- It was unclear what services were passing below the site as the buried services for water, gas and electric were not clearly set out.



3

£8.6m spent on remediation

Gleeson has spent £8.6m remediating the site over the period of development including:

- 300,000m³ of contaminated ground was excavated, treated and stabilised.
- 25,000m³ of derelict foundation concrete broken out, crushed, processed and reused.
- A proprietary geosynthetic clay layer, incorporating a bentonite clay layer, was placed over the whole site.
- The site was then capped with a 1.7 meter thick layer of clean material placed as a foundation above the capping layer.



4

High-quality, affordable homes

As a result of the remediation we:

- Cleaned the site.
- Stabilised the contamination.
- Reused all the stabilised materials on site.
- Exported and recycled for scrap the waste metals from the structure of the chemical works.

All works were supervised by third-party consultants and approved by both the regulators of Rotherham Borough Council and the Environment Agency.

Building Homes. Changing Lives.



Emily and Stephen, ages 19 and 22, Plot 35, Carlisle Park

On Carlisle Park we are building 381 high-quality, affordable 2, 3 and 4 bedroom homes.

These are modern, energy-efficient homes, and all have a front and rear garden and a driveway.

To date we have provided homes for 260 people and families.

Carlisle Park in numbers:

£140,000 Average selling price	51% Used help to buy	£18,000 Average salary of buyers
69% First-time buyers	28 Median age of buyer	11% Nurses or care workers
86% Previously rented or lived at home	83% Under the age of 35	17% Teachers

we

build

opportunity

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