

# Where our Heart is



Corporate Responsibility Report 2006



PERSIMMON PLC

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# Opening Statement by Group Chief Executive



We are a house building company. We were the first pure house builder to enter the FTSE 100. Following our successful acquisition of Westbury plc in January 2006, we sell over 16,700 homes a year from more than 450 sites and have 36 regional operating businesses.

We seek to integrate our policies and procedures into our normal business activities in a constructive and responsible way, to ensure that when building new homes we take into account our impact on the environment, how we look after our customers and how we treat our employees. Our positive and robust approach to Corporate Responsibility will improve our reputation and lead to increased customer satisfaction, employee loyalty and facilitate improvements in efficiency and our business performance.

We take a pragmatic view of Corporate Responsibility and integrate it with our existing policies and procedures. I firmly believe that this is the best way the value of these activities can be realised for our customers and our business. I believe we should concentrate on what we do well, building good quality homes and doing this in a responsible manner.

During 2006 we have continued our good work of previous years. Building energy efficient housing has a significant role to play in tackling climate change and we have again last year increased the average energy efficiency of our new homes. We have also continued our Modern Methods of Construction Project at the Living I, Irlam, Manchester and we were rewarded by winning the "Best Innovation in the Use of Materials and Products" for our Techno House at the 2006 House Building Innovation Award.

Last year we set ourselves a target to reduce the amount of waste generated for each new home we built. The total waste recycled by the Group increased by 12% and the waste generated per home built reduced by 17%, greatly exceeding our target.

We have continued to invest heavily in our Health and Safety management and training. I am pleased to report that we have seen a reduction in major injuries of 15% during the year, despite a 25% increase in the number of sites on which we operate. We are again setting all our operating businesses performance targets for Health and Safety to increase our performance in this vital area of our business.

We have maintained our focus on training our employees and promoting skills within the industry, primarily through our Homing In On Opportunity education initiative. We launched an industry leading recruitment website to promote careers within Persimmon. In 2006 our apprentice programme has produced 116 qualified skilled workers and we recruited our 50th graduate into our Management Development Programme since 2002.

We continue to improve our quality control processes and invest heavily in training our staff to improve customer service. All our staff are dedicated to ensuring high levels of customer satisfaction. During 2006 our surveys found that in excess of 86% of our customers would recommend a friend to purchase a new home from us.

The success of our business relies on the fact that we get our approach to Corporate Responsibility right. But being responsible is one thing; demonstrating it is another. That is why this Report is so important. It provides a means of explaining in a clear and even handed way how behaving responsibly – as well as being the right thing to do – can deliver quantifiable benefits both for our business and our stakeholders.

**Mike Farley** Group Chief Executive  
19 March 2007



# Corporate Responsibility at Persimmon



## OUR APPROACH

### Values

We have a formal CR policy – the Persimmon Values. This provides a constant set of guiding principles for us and helps to explain our approach to our stakeholders.

This policy covers four key elements relating to the way we work, how we manage our impact on the environment, our work with the community and our relationships with our stakeholders. It is supported by more detailed policies in each area, for example, our Environment Policy.

### Corporate Responsibility management

Operational responsibility for CR rests with the Persimmon CR Committee. This is a sub-committee of the Risk Committee. Our CR management structure is described in the diagram shown opposite.

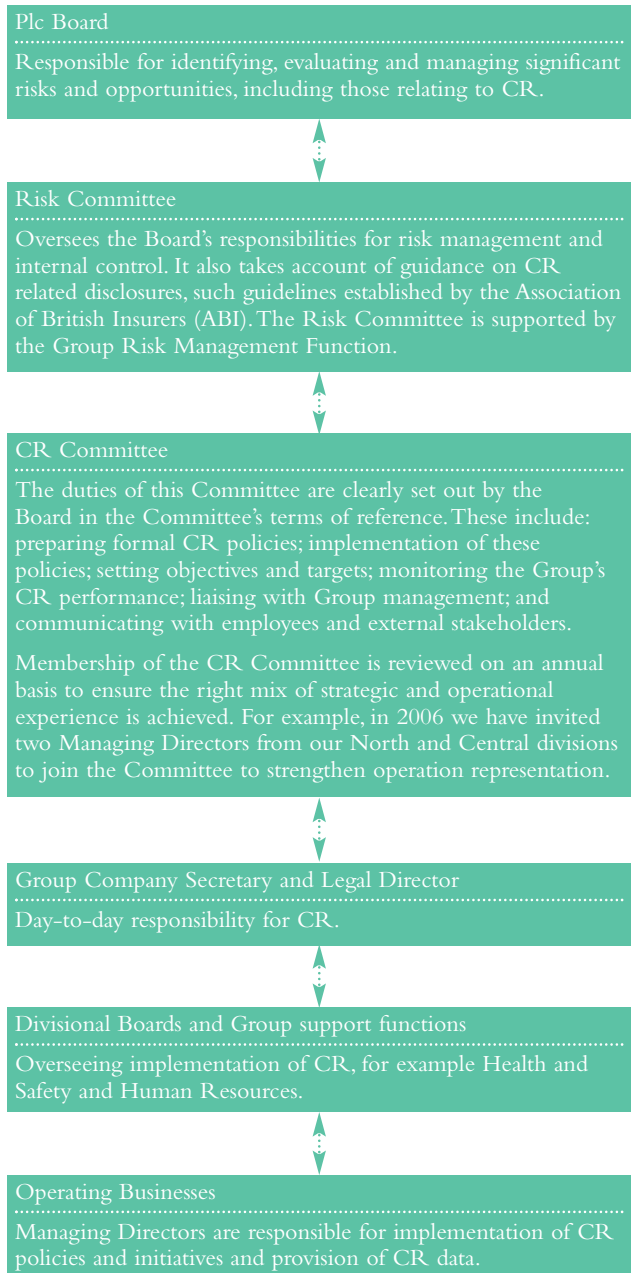
### Risk

Risks, including social, ethical and environmental (SEE) risks commonly considered as part of CR, are identified through a series of risk workshops held on a rolling basis within our operating businesses. These workshops are supplemented by individual risk assessments undertaken by divisional directors, senior management and personnel in key functions. These assessments form the basis of the Company Risk Register and are used to prioritise activities to mitigate key risks over the year.

We introduced our risk intranet during 2006. This tool allows selected individuals around the business to notify the risk management team at any time of any perceived risks or opportunities that arise. It strengthens our approach to risk management and provides a transparent system by which we can identify risks facing the business and put in place appropriate mitigation plans.

This risk management process is supported by a series of policies and procedures, covering issues such as authorisation levels, segregation of duties and compliance with legislation, and regular internal reviews to monitor the effective application of internal control within Group businesses.

Further information on the Group's approach to Corporate Governance, risk management and internal control can be found on page 46 of our Annual Report 2006.



## Measurement

We agree objectives and targets on an annual basis. To support these we have developed a set of Key Performance Indicators (KPIs) that allow the CR Committee to review progress on a regular basis. These are highlighted throughout this report and summarised in a table on page 22. Some of these have been developed specifically for CR management but others have been adopted from other management processes, such as Health and Safety, to ensure that effort is not duplicated and to reinforce the links between CR and other areas of management.

A summary of progress against our 2006 targets is shown in the table below:

Targets	Progress
<b>CR Governance and Management</b>	
Objective: Ensure that CR issues are properly taken into account throughout the management of the Group	
<ul style="list-style-type: none"> <li>❶ Publish CR policy statement on website and issue to operating businesses by March 2006.</li> <li>❷ Undertake a review of the implications of Persimmon's approach to CR given the significant growth of the business by December 2006.</li> <li>❸ Review and revise Persimmon's Code of Ethics by June 2006.</li> <li>❹ Include two articles on CR activities in each issue of Insite and Signature.</li> </ul>	<ul style="list-style-type: none"> <li>❶ <i>Completed.</i> CR Policy was reviewed and published on our website.</li> <li>❷ <i>Ongoing.</i> The acquisition and integration of Westbury impacted virtually every part of the business. Significant work done to integrate operational processes (for example, Health and Safety) and this is largely complete.</li> <li>❸ <i>Completed.</i> The Code of Ethics was reviewed and minor revisions were made.</li> <li>❹ <i>Ongoing.</i> Articles relating to some of our CR activities (for example, community activity) were included; but these were not necessarily highlighted as CR.</li> </ul>
<b>Environment</b>	
Objective: Minimise and manage our impact in the environment.	
<ul style="list-style-type: none"> <li>❶ Introduce on-site toolbox talks to promote awareness of the Persimmon environment policy, Environmental Management System and procedures by December 2006.</li> <li>❷ Achieve a 3% increase in the amount of waste recycled from the house building process by December 2006.</li> <li>❸ Review the sources of timber and wooden products used by the Group to establish the proportion that come from well managed sustainable forests by December 2006.</li> </ul>	<ul style="list-style-type: none"> <li>❶ <i>Completed.</i> For example, we have introduced environmental issues into our site induction programme.</li> <li>❷ <i>Completed.</i> The total waste recycled by the Group increased by 12% to 96,000 tonnes, whilst the waste generated per home reduced by 17%.</li> <li>❸ <i>Ongoing.</i> We have identified timber components used in our homes and have held discussions with key suppliers of the most significant of these (eg roof trusses) to identify their sources. However, this has not yet been quantified.</li> </ul>
<b>Community</b>	
Objective: Understand and respond to the needs of the local communities in which we operate and contribute where appropriate to mutual benefit.	
No specific targets set in 2006. However, our commitment to these objectives is ongoing and our progress is described in the Persimmon in the Community section of this report.	
<b>Employees</b>	
Objective: Achieve high standards of employment practice and create an environment for our employees to develop the skills they need for a rewarding and fulfilling career.	
No specific targets set in 2006. However, our commitment to these objectives is ongoing and our progress is described in the Working at Persimmon section of this report.	
<b>Health and Safety</b>	
Objective: Ensure the health and safety of our employees and others that come into contact with our business.	
<ul style="list-style-type: none"> <li>❶ All operating businesses to compile an improvement plan by February 2006 that indicates actions to be taken to ensure that all operational health and safety KPIs meet the minimum Bronze PASS Standard by the end of 2006.</li> <li>❷ Successful completion of the mandatory CSCS Health and Safety touch-screen tests by 70% of construction site supervisors and operatives by December 2006.</li> </ul>	<ul style="list-style-type: none"> <li>❶ <i>Completed.</i> All businesses compiled an action plan by February 2006. By the end of 2006, all operating businesses met the minimum Bronze PASS Standard, with the exception of one new business created following the acquisition of Westbury.</li> <li>❷ <i>Ongoing.</i> This target was superseded by our commitment to have a fully carded CSCS workforce by the end of 2007. All CSCS cardholders will have passed the Health and Safety test.</li> </ul>
<b>Customers</b>	
Objective: Meet the needs of our customers and fulfil the requirements of the Persimmon Pledge.	
<ul style="list-style-type: none"> <li>❶ Continue to review customer satisfaction data and identify a suitable KPI for reporting in the 2006 CR Report by December 2006.</li> </ul>	<ul style="list-style-type: none"> <li>❶ <i>Completed.</i> We undertake internal and participate in external customer satisfaction surveys. These are described in the <i>Customers</i> section.</li> </ul>

### Engaging with our stakeholders

We engage with our different stakeholder groups in different ways, depending on the particular issue, their significance to us or the existing mechanisms of communication in place. Listening to them provides a useful input into our CR programme, and also provides us with an opportunity to influence their views and opinions.

The different ways in which we engage with our significant stakeholders are summarised in the table below:

Stakeholder group	Communication
<b>Customers</b> Consumers who purchase the homes we build.	Virtually all customer communication is driven through our operating businesses, who understand the developments in their area and the needs of the local communities. A variety of methods are employed including focused publications and our website. Feedback is sought on a regular basis to ensure customer satisfaction, including hand over meetings, customer clinics and customer questionnaires.
<b>Employees</b> The 5,349 people who are directly employed by Persimmon.	Much of the communication within the Group is undertaken at a local level through the local Managing Director or senior management team. However, if there is a Group-wide issue to be addressed, we will seek opinions from all parts of the business and often set up working groups with representation from the regional operating businesses. A good example of this is the Persimmon CR Committee. This approach is supplemented by the publication of our internal Company magazines, Insite and Signature, electronic media (intranets, emails) and management briefings.
<b>Investors</b> Our shareholders and their intermediaries.	Managed by senior executives at Group level, we have participated in meetings with shareholders, investors and analysts. In addition, we have participated in surveys undertaken by research organisations such as EiRIS. Our website and Annual Reports also provide information on our CR activities.
<b>Suppliers and sub-contractors</b> The companies that provide us with materials and resources to build houses and manage our business effectively.	We seek to develop mutually beneficial relationships with our suppliers and sub-contractors. We have national purchasing agreements with a number of major suppliers for example bricks, which are supplemented through relationships our operating businesses have with smaller local suppliers. We require our largest suppliers to meet our Supplier Standards which cover issues such as: Environmental Policy and compliance, materials sourcing, use of hazardous or toxic materials, health and safety, working hours, age and benefits, discrimination, business partnership and ethics. Local relationships are built by our operating businesses with our sub-contractors, ensuring we have appropriate materials and labour resources on all our developments.
<b>Communities</b> Those who live and work in proximity to Persimmon, Westbury Partnerships and Charles Church developments.	During the development process we will seek to obtain the views of community groups and encourage consultation and dialogue where practical. This may be through community meetings, using the media or focused written communications or support of local community initiatives. Other community activities are at a local level through our operating businesses' offices, such as involvement with local schools and community groups. Where significant funding is required, larger contributions are made at a Group level.
<b>Government and local authorities</b> Official bodies that develop, implement and approve planning guidance legislation and consent to which we adhere.	As with all other house builders, ensuring we meet planning guidance, legislation and regulation is a priority as they will often govern the types of developments we build and the features that will be included. We work closely with the relevant authorities to influence policy decisions and understand their priorities at an early stage in order that they can be incorporated into our plans.

Stakeholder group	Communication
<p><b>Regulatory bodies</b> Agencies that ensure we are operating within the boundaries of law and regulation.</p>	<p>Our operating businesses are encouraged to develop good relationships with local regulatory bodies and to regularly meet or talk to the appropriate authorities to discuss ways in which we can take a proactive approach in order to prevent non-compliance. At a national level, we favour a similar proactive approach and regularly communicate with these bodies and sit on working groups when appropriate (for example with the Health &amp; Safety Executive on health and safety issues).</p>
<p><b>Landowners</b> Companies, groups and individuals from whom we purchase land.</p>	<p>Undertaken by our operating businesses on a site-by-site basis.</p>
<p><b>Architects and designers</b> Companies that provide us with designs for our houses and developments.</p>	<p>It is essential that we work closely with our architects and designers to ensure that we build homes and developments that people want to live in which meet planning requirements and legislation. This dialogue is undertaken at a local level on a site-by-site basis.</p>
<p><b>Non-Governmental Organisations (NGOs)</b> Campaigning bodies set up to promote change in focused areas often via public awareness campaigns.</p>	<p>Engagement at both Group and operating business level on key topics (for example sustainable housing or use of recycled materials). This usually takes the form of initial correspondence followed by a meeting. The process can be initiated either by Persimmon or the NGO. In some instances, we seek input from NGOs on specific projects or developments, for example, the Living I project in Irlam (see page 12).</p>
<p><b>Peers and competitors</b> Other house building companies.</p>	<p>Many issues faced by Persimmon are common amongst all house building companies, particularly when dealing with legislation and regulation. We participate, usually at a Group level, in relevant working groups often convened by the Home Builders Federation (HBF) to address key issues.</p>

# Environment



## Policy and approach

Building houses has an obvious impact on the environment, whether it is through the house building process itself, the materials we use, or on the local surroundings and habitats. We have a responsibility to ensure that our environmental impacts are minimised and well managed. Moreover, it helps us to operate more efficiently – for example, minimising the amount of waste we generate reduces building costs.

We also recognise that the homes we build will be occupied for decades to come and they will continue to have an environmental impact over this time. We have to make sure that the homes we build are efficient in terms of the resources they use, such as energy, and incorporate features that enable their inhabitants to live in a sustainable way. This means we will often build to high environmental standards, for example, Eco-Homes.

The Persimmon Environment Policy was introduced in 2002 and revised during 2005. It sets out six priority areas:

- Minimising the amount of waste we produce through effective design and on-site management.
- Making efficient use of materials during the house building process, including the use of recycled and existing materials on-site when appropriate.
- Protecting and enhancing the natural habitat and local surroundings throughout the development process.

- Making the most efficient use of land, including the regeneration of redundant or contaminated land.
- Designing our homes and developments to incorporate features, when practicable and cost effective, that minimise the impact on the environment during their habitation.
- Preventing pollution occurring at our sites.

We have an integrated Environmental, Health and Safety System. This provides a single point of reference for much of the operational best practice for the Group and allows us to take advantage of the robust Health and Safety systems in place, including site audits and inspections. This is supported by ongoing training for our site managers to increase their awareness of our Environmental Policy and the procedures outlined in our Environmental Management System.

## Addressing climate change

Climate change is high on the agenda of many of our stakeholders and there is increasing interest in how our activities are contributing to it. There are three areas where we have a role to play:

- Ensuring that the homes we build are energy efficient.
- Designing our developments to encourage the efficient behaviour of its residents, for example, using public transport rather than their cars.
- Minimising the energy used by our own operations.

Our strategy to date has been to prioritise our attention on the energy consumption of the homes we build rather than our own consumption as by comparison the energy consumed through our operations is relatively small. However, we have begun a review of the energy used in our offices and fuel used by our car fleet. We hope to report on this in more detail next year.

To assess the energy performance of our homes, we measure and monitor their Standard Assessment Procedure (SAP) ratings. This is the Government's recommended system and is calculated on a scale from 1 to 120.

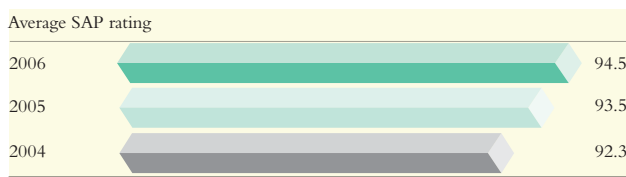
## KPI: Climate change

Average SAP rating	94.5
Appliances available with an energy efficiency rating above C	99%

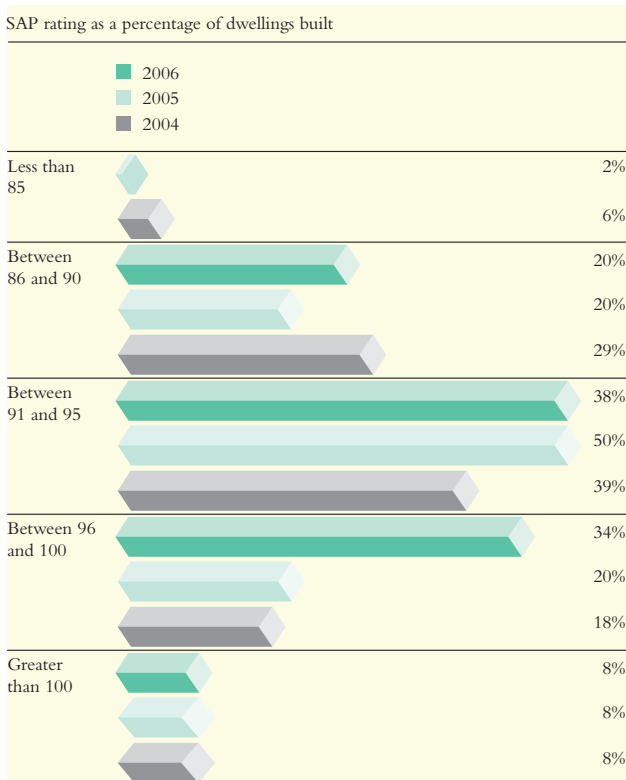


Whilst we take a cautious view of the Government’s ambition that by 2016 all new homes will be “zero-carbon”, we have embraced changes to Part L (Conservation of fuel and power) of the building regulations that came into force on 6 April 2006. This requires greater use of energy saving insulation, more efficient boilers and new energy efficient technologies, including solar panels and mini-wind turbines to demonstrate compliance.

It is expected these regulations will improve the energy efficiency of new homes by up to 40%. We also support the requirement of the Energy Performance of Buildings Directive (EPBD) to provide an Energy Performance Certificate from June 2007 with key information about the energy efficiency and carbon performance of the home.



We are currently considering the implications of the voluntary Code for Sustainable Homes – a new single national standard for sustainable design and construction – and the impact this will have on our developments.



In 2006, our average SAP rating was 94.5 continuing the improving trend of previous years. This is particularly pleasing given we have built over 30% more homes this year. There were no homes with a rating of less than 85 and there has been a significant increase in the number of homes built with a rating of 95 or over.

This improvement is due to the incorporation of more energy efficient materials and components into our homes. For example, we have built more homes using our patented timber framed building system, manufactured by our subsidiary Space4 ([www.space4.co.uk](http://www.space4.co.uk)).

This building system has excellent environmental credentials in terms of both raw materials sustainability and lifecycle energy. Moreover, in terms of energy efficiency, a Space4 house meets the current regulations with ease, even taking into account recent revisions to tighten these regulations. The building system is able to adapt to include further cladding options and photovoltaic cells which will improve energy efficiency even further.

We monitor the energy efficiency rating of the electrical appliances provided in our homes, including ovens, fridges, freezers, dishwashers, washing machines and dryers. Our aim is that these are better than a C rating according to the EU Energy Efficiency Labelling System (where A is the most efficient and G is the least). This has been achieved with the exception of one appliance – a washer dryer.

Homes cannot be seen in isolation from their communities. Their location and the infrastructure available contribute to the way people travel and the subsequent emissions from the vehicles they use. We need to bear this in mind when we plan and design our developments. Much of this is controlled by planning guidance and planning consents granted by local authorities but it also makes commercial sense, for example, adequate access to public transport facilities makes our developments more attractive to potential customers.

On some developments we have actively worked with local authorities to come up with innovative alternatives to new home owners using their cars. For example, we have taken part in the South Yorkshire Passenger Transport Executive’s (SYPTe) “Developer Ticket”. These “tickets” are given to all Persimmon residents at selected developments across the region and entitle them to travel by bus, train or tram free for a year. SYPTe will also provide residents with bespoke travel plans for their most frequent journeys. On other sites, such as our Kingsway development in the South Midlands, as a means of promoting healthy environmental practices, we have given every purchaser a voucher which can be exchanged for a bicycle.



**Waste and our use of materials**

House building produces a variety of different waste types including demolition waste, contaminated materials from land decontamination, soils and rubble from site preparation and waste generated from the house building process itself. Our Waste Policy requires our operating businesses to reuse as much material as possible, particularly bricks, soil and rubble from site preparation and segregate and recycle waste whenever possible. It also requires them to think about how materials are ordered and used to reduce the amount of waste generated in the first instance.

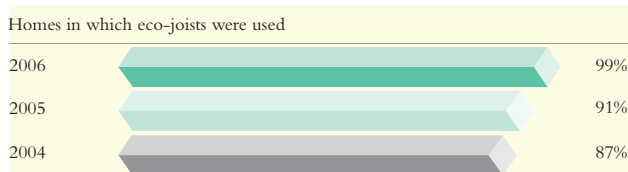
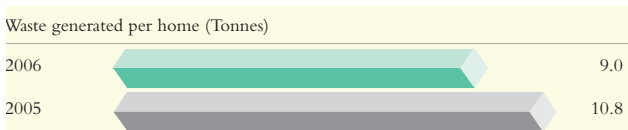
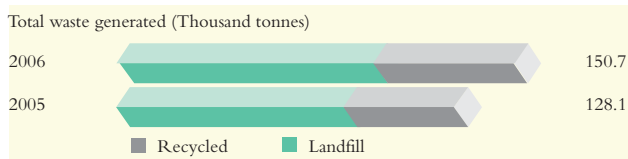
**KPI: Waste and material use**

Total waste generated (tonnes)	151,000
Waste generated per home constructed (tonnes)	9.0
Total waste recycled	67%

The ultimate aim of this policy is to reduce the amount of waste that we send to landfill each year. This has obvious benefits for the environment, but also reduces the costs of waste disposal to the business.

In 2006, we generated 151,000 tonnes of waste. This is an increase of c. 18% in absolute terms. However, we built 32% more homes in 2006 and the waste generated per home has reduced by c. 17%. We are particularly pleased with this reduction and we will continue to seek further opportunities to reduce waste. In addition, 96,000 tonnes of waste was recycled equating to over two thirds of all the waste we produced.

We have continued to promote the use of pre-fabricated engineered joists in the construction of our houses. These use less wood, can be produced to exact size minimising waste and offer many environmental benefits over traditional solid timber. In 2006, eco-joists were used in 99% of homes in which we could physically use pre-fabricated engineered joists.



**Land use**

We have 36 regional operating businesses. This local structure, with businesses located in the communities in which we build our homes, means we can be flexible during the planning and design process, engage with the local community and build developments in which people want to live. It allows us to develop meaningful relationships with those authorities and other stakeholders that influence the design and plan of the developments we build.

Although we are governed to some extent by national regulation and guidance that stipulates how and what we build, we always try to ensure that our developments “fit in”. This may mean building in a similar way to existing buildings in the area, using local materials and preserving local landscapes and heritage.

As a result we build a broad range of different home types in rural, town and city locations. In town or city locations, we often build on sites that have previously been developed, so-called “brownfield land”, and these sites will often require decontamination. However, the availability of suitable brownfield sites often relies on local planning authorities and market constraints. For example, brownfield land is more readily available in large conurbations for historical reasons and redevelopment is often encouraged by local planning authorities. We continue to monitor this figure to ensure that our portfolio of sites remains balanced rather than having a policy to specify a fixed percentage. Although we have increased the number of homes built on brownfield land in 2006 by more than 30%, the proportion of our total housing production has remained unchanged reflecting our balanced approach.

**KPI: Land use**

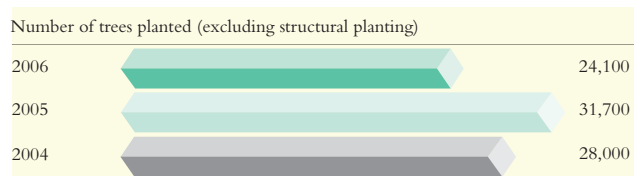
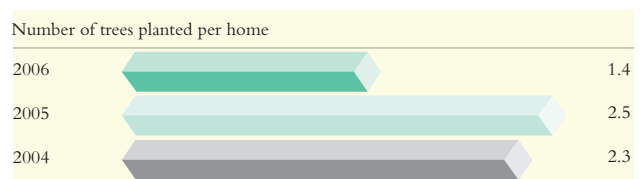
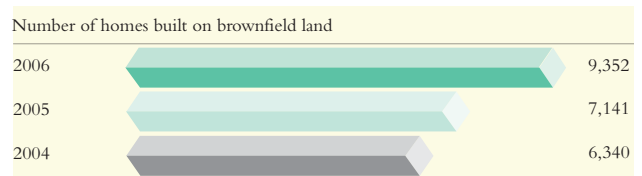
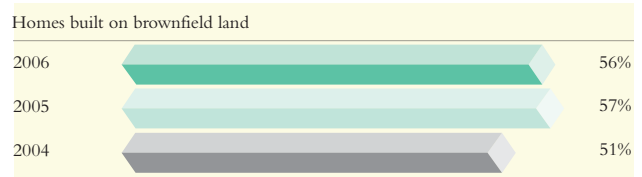
Number of homes built on brownfield land	9,352
Homes built on brownfield land	56%
Number of trees planted	24,094
Number of trees planted per home	1.4



Many of the environmental impacts from the house building process can be addressed through good preparation and adherence to planning guidance and regulations. As part of our internal planning processes, we look to identify the potential environmental impacts associated with any development. This includes impacts from land contamination and remediation, impacts on the local surroundings and habitats and the impacts of the construction process itself. On many of our larger sites, this will involve an Environmental Impact Assessment (EIA) being undertaken by specialist contractors. This informs our thinking and allows us to develop proposals and designs which minimise possible environmental damage and where possible enhance the local surroundings.

When we build a new development we are unavoidably changing the landscape of the local area. Where we are reclaiming land from contamination this is a very positive action. We recognise that this can be a sensitive issue to the local community, and we must be sensitive when we are planning and designing our developments. In these instances we often provide information and consult with the local community during the building process. However, there are often instances that fall out of the scope of site remediation, for example, the preservation of a particular topographical feature that we need to take into account.

The form and type of landscaping activity varies from site to site and is dependent on the type of development being constructed, the needs of the local community and the natural features of the land. A consistent reflection of the amount of landscaping work undertaken is the number of trees that we have planted. In 2006, we planted over 56,000 trees, equating to 3.4 trees for every home completed. However, excluding exceptional “one-off” structural planting, as we have done in previous years, the number of trees planted reduced from 2.5 to 1.4 trees per home. This figure is influenced to a large extent by the type of developments we are building at the time, for example, apartments typically have a higher building density with less space available for planting. Although, we do not expect this reducing trend to continue we are reviewing other KPIs that will provide a better reflection of the way we use land.



**Minimising unplanned environmental incidents**

The building and development process has the potential to cause environmental damage if not managed in the right way. Whether this occurs by accident, such as the release of hazardous materials into a watercourse, or through inconsiderate construction processes, such as noise or dust pollution, we are careful to ensure that we follow clear procedures in order to minimise the likelihood of these events.

We seek to develop good relationships with the local offices of the Environment Agency or Scottish Environmental Protection Agency (SEPA) so that we can obtain their advice and incorporate best practice where we can. If an incident does occur we will work quickly to inform the relevant authorities and minimise damage occurring. Our emergency procedures are clearly documented in our Environmental Management System and are consistent across the Group. We ensure that, through training such as on-site toolbox talks, all site operatives are aware of these procedures and they are clear on what to do in the event of an incident occurring.

**KPI: Minimising unplanned environmental incidents**

Number of environmental prosecutions	Nil
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We have had no environmental prosecutions this year. However, our subsidiary Westbury Homes pleaded guilty to damaging trees protected by a preservation order caused by its ground workers in December 2005, prior to its acquisition by Persimmon.

Environmental prosecutions	2004	2005	2006
Number of environmental prosecutions	1	0	0

### Promoting Modern Methods of Construction – the Living I project

Modern Methods of Construction (MMC) has received a huge amount of publicity over recent years as the Government has sought to promote innovation and efficiency. Persimmon has embraced these concepts and is keen to introduce MMC elements to our building portfolio once proven. For example, our innovative timber frame building system, developed by Space4, is considered to be a superior timber-framing solution and one of the best examples manufactured in the UK. It offers a new approach to the building process to address three main challenges facing the building industry: affordability, construction industry skills shortages and sustainability. More information can be found on the Space4 website at [www.space4.co.uk](http://www.space4.co.uk).

The two-year Living I project aims to bring tried and tested innovation to mainstream housing construction and provides a “real life” test for a sustainable future. To help us we have worked with a range of partners including Help the Aged, The Energy Savings Trust (EST) and Waste and Resources Action Programme (WRAP), to develop genuine sustainable solutions. We also worked closely with Salford University’s Building School of Excellence throughout this project.

Located at an existing Persimmon development in Irlam, near Manchester, we adopted innovative techniques, incorporating efficient technology and using novel materials to build five homes, all based on the exterior design of current Persimmon houses to ensure they “fitted in” with the local vernacular and environment. The five Living I homes are:

- **The Eco-Home:** a detached timber-frame house was constructed on the principle of sustainability and sustainable designs, using materials that are recyclable, renewable, reusable and natural with no toxic contents. It is powered by a micro-combined heat and power unit and photovoltaic cells.
- **The Techno Home (see picture below):** this home comprises leading edge technological communications and security systems, whilst incorporating features that are sustainable and eco-friendly.
- **The Lifetime Home:** the semi-detached Lifetime Home was designed to provide a flexible living space for the changing needs of the family.
- **The Modular Home:** this semi-detached house was built with the latest innovative building materials, including modular concrete offsite manufactured units.
- **The Energy Home:** this house was built using a unique composite panel design (manufactured by Space4) and high performance insulation material to provide a cost efficient energy saving house.

We also hope to use this project to demonstrate to the Government what is feasible and what obstacles stand in the way of delivering more sustainable homes and communities. As the UK’s leading house builder we hope to be able to influence our peers and drive positive change through the industry. We are creating a website [www.living-i.co.uk](http://www.living-i.co.uk) to showcase our findings and demonstrate innovation to the general public, our peers and other interested stakeholders. This will include detailed descriptions of the processes and technologies we used. The website will be available in May 2007.

#### CASE STUDY: BEST INNOVATION IN THE USE OF MATERIALS AND PRODUCTS

Persimmon was awarded the Best Innovation in the Use of Materials and Products award at the 2006 House Building Innovation Awards for its Techno Home at Irlam in Manchester.

The shell of the Techno Home was constructed using a light steel frame with a Structural Insulated Panel roof structure (that took just one day to fit) and brick insulated cladding for the walls. The house also uses a geothermal heat source for the central heating via a wet underfloor heating system. Other innovative features include: self cleaning glass, energy saving light bulbs, remote control heating, lighting, security and appliances, auto rain closers, central locking using wireless technology and a passive stack ventilation system.

The judges were looking for evidence of tangible benefits in terms of quality, time, cost and service of materials, products or systems used in a new home and said, “Persimmon’s effort won out for combining environmental and technological advances in a single home design”.



*TechnoHome, Living I, Irlam, Manchester*

# Health and Safety



## Policy and Management

Health and safety is a key issue for the Group and we integrate it into all aspects of our business activities. We see our obligation to ensure the safety of people that come into contact with our operations, including our employees, sub-contractors, visitors and the general public as a vital corporate responsibility. Therefore, as an integral part of the way we work, health and safety is factored into almost every decision that is taken within the business, particularly those relating to site operations.

This commitment is set out in our Health and Safety Policy, last updated in 2005, and supported by the Persimmon Environmental, Health and Safety Manual. This document is regularly reviewed by our health and safety team with the next revision in spring 2007. The Policy Manuals contain details on organisational arrangements (including roles and responsibilities) management and operational procedures together with industry best practice guidance that enables us to meet the requirements of current health and safety legislation applicable to our business activities.

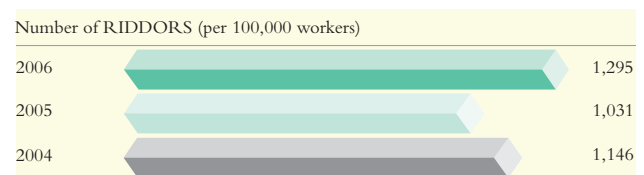
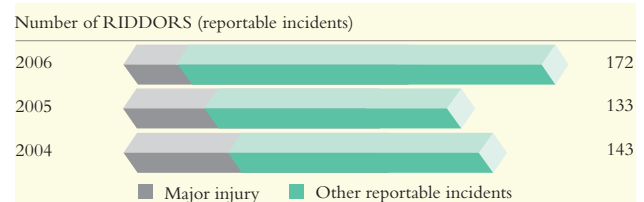
David Bryant, our Group Development Director is the Plc Board Director responsible for Health and Safety and ensures that these issues are considered at the very highest level within the business. He is supported by the Group Health and Safety Director, an internal team of 16 health and safety advisors and external safety consultants. Each year health and safety risks are reviewed and a Group action plan is developed, which sets out the objectives and key actions for the coming year.

Through audit and inspection the Group Health and Safety team monitor and report that relevant Group policies and procedures are implemented by our operating businesses. They also ensure that employees are appropriately trained to understand the working procedures they must follow. Much of the management effort in this area in 2006 was focused on ensuring the sites acquired as part of the Westbury takeover in January 2006, were operating to the high standards that Persimmon sets in this area.

Individual operating businesses are responsible for putting together their own yearly action plans to prevent accidents or the recurrence of accidents and HSE Enforcement Action or prosecution. Health and Safety issues are discussed at various levels within the Group including quarterly Construction Reviews, bi-monthly Divisional and Operating Business Management meetings and Safety Committee meetings chaired by local Managing Directors. This process is intended to monitor the ongoing health and safety performance of the operating businesses and allows them, should they so choose, to set their own targets for improvement, which often exceed the expectation set out in the Group objectives.

## Health and Safety performance

In 2006, we had 172 incidents (2005: 133) reportable under the UK Reporting of Incidents, Diseases and Dangerous Occurrences Regulations 1995 (RIDDOR). We have also seen the number of incidents per 100,000 workers employed on our sites (the HSE industry standard reporting criteria) increase from 1,031 to 1,295. Although this is substantially lower than the construction industry average of incidents per 100,000 workers, this increase is disappointing compared to the declining trend of previous years.



**KPI: Health and Safety**

Number of RIDDOR reportable incidents	172
RIDDOR's per 100,000 employees	1,295
Number of Health and Safety prosecutions	0
Operating businesses achieving bronze or above standard PASS (Audit)	97%
Operating businesses achieving bronze or above standard PASS (Site Inspection)	100%

This overall number of incidents has increased by 30% largely owing to a proportionate increase in the number of sites we operate following the acquisition of Westbury. We have worked hard to introduce our policy and working practices to these sites, and hope to see this figure decline again next year as these become fully integrated.

During 2006, we focused our efforts on ensuring our most significant health and safety issues are well managed. Subsequently, we are pleased to report that despite an increase in the overall number of reportable incidents, the number of major injuries has reduced by 15% and has dropped by 35% in the past two years. In addition, we have had no health and safety convictions this year.

We undertake two types of regular health and safety review. Firstly, an audit process that measures how well each operating business has implemented the Group policy and procedures, and secondly, safety inspections of our on-site activities. Based on the results of each review, operating businesses are awarded a Gold, Silver or Bronze Award PASS (Persimmon Award for Site Safety) depending on the level of compliance, where Gold is over 90% compliance, Silver is between 80% and 89% and Bronze is between 70% and 79%. If less than 70% compliance is achieved then no award is given.

**Health & Safety Audit**

Through the use of audit questionnaires, supplemented by interviews with management and staff, the scheme is designed to measure the percentage level of implementation of our health, safety and welfare management systems by each of our operating businesses.

Audit	2003	2004	2005	2006
Gold Award	7	16	23	28
Silver Award	12	9	9	6
Bronze Award	9	7	2	–
No Award	2	1	0	1

In 2006, 28 of our operating businesses achieved a Gold rating – our highest award – an increase of 18% on the previous year. All our operating businesses achieved a Silver award or higher, with the exception of one new operating business that was subject to its first audit.

**Site inspection**

Monthly site inspections are undertaken by external health and safety advisors who review working practices and the level of compliance with legislative or procedural requirements, such as working at height and manual handling.

Site inspection	2003	2004	2005	2006
Gold Award	0	2	4	10
Silver Award	23	31	30	25
Bronze Award	9	3	0	0
No Award	0	0	0	0

All operating businesses achieved a Silver award or higher reflecting our safe working practices across the Group. This has been facilitated by better communication and introduction of our new in-house inspection database (RiVO) in 2005. This system means that operating businesses are informed quickly of issues identified through site inspections and adjust their operating practices accordingly.

In 2006, we delivered 550 days of health and safety training to our employees and subcontractors to ensure they are up to date on current working practices and Group procedures. In addition, we held over 30 seminars for key suppliers on health and safety issues.

In the forthcoming year, we plan to introduce our STAR campaign, that will promote the culture that Safe Teams Avoid Risks. The initiative will include the publication of our Safety Matters newsletter for employees, to raise awareness of health and safety across the Group. We will report more fully on this work in next year's report.

# Working at Persimmon



## Our people

Our workforce has increased by 16% reflecting the acquisition of Westbury and continued growth of the business. Over a quarter of employees are female and this has remained constant over the past three years.

	2004	2005	2006
Total employees	4,602	4,613	5,349
Number of female employees	1,299	1,302	1,511
Female employees	28%	28%	28%
Number of female directors	17	21	26

We have a Group HR function that provides strategic and policy direction, as well as guidance and legislative support for the business. This includes the formulation of relevant policies and procedures. However, much of the day-to-day management of our people rests with each operating business. This approach provides us with the flexibility to ensure local issues can be handled by people with specific knowledge of the circumstances. This includes performance reviews and appraisals.

We offer all our salaried staff a competitive remuneration package together with a range of additional employee benefits. These include bonus payments depending upon individual and Company performance, commission schemes for sales staff, private healthcare, and a contributory pension scheme with life assurance. We also offer a discount on new home purchases. Our hourly-paid employees enjoy employment terms

in accordance with the National Working Rule Agreement, together with a pension arrangement through the B&CE, a not-for-profit supplier of financial services and employee benefits to the UK's construction industry.

## KPI: Our workforce

Number of employees	5,349
Female employees	28%
Number of female directors	26

All monthly salaried employees receive an Employee Handbook, which outlines our employment policies including those relating to equal opportunities and diversity, whistle blowing, harassment and bullying, flexible working, alcohol and drugs, as well as a clear statement of our grievance and disciplinary procedures.

We take a balanced approach to recruitment focused on employing people with the best skills and experience for the job, regardless of race, religion, disability, sexual orientation or age. However, we also acknowledge the benefits of retaining knowledge and experience within our business and encourage all our staff to fulfil their potential with us. Consequently, 60% of directors in our operating businesses have been promoted into their role.

In October 2006, we launched an industry leading recruitment website to promote careers at Persimmon ([www.persimmonjobs.com](http://www.persimmonjobs.com)). This simplifies the recruitment process and improves the accessibility of information for applicants. It provides information on the Group and its operating companies and detailed descriptions of the job roles available, including case studies from existing employees, so applicants get a very good understanding of our business. Applicants are also able to apply for jobs electronically.



### Promoting technical skills

The Group provides training for all its employees as part of their continuing personal development and to enable the growth of the business. In 2006, we provided over 6,700 training days to our employees.

Some of our training and development initiatives include:

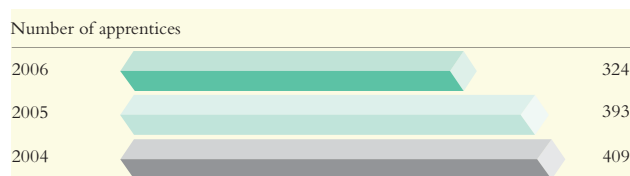
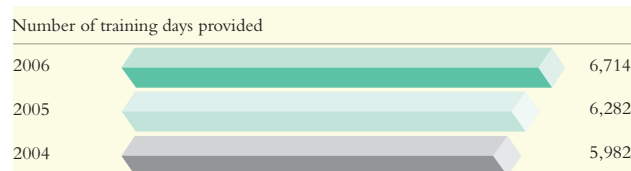
- Accreditation Programmes for Site Supervisors, Managers and Contracts Managers leading to an NVQ level 3, 4 and 5 (respectively).
- Health and Safety training for all employees, whether office or site based, to allow them to carry out their duties safely.
- Employees who regularly use IT applications receive full training and instruction in relevant software packages.
- Regular Customer Service skills training for all employees responsible for customer care.
- Apprenticeships in recognised trades in the house building industry.
- A year-long Graduate and HND Management Development Programme.
- Support, in the form of course and exam fees, study leave and day release for recognised professional qualifications.
- Regular performance reviews to discuss the individual training needs of all staff.
- Regular contact with the HBF (Home Builders Federation), the CITB (Construction Industry Training Board), the NHBC (National House-Building Council) and the CIOB (Chartered Institute of Building) amongst others, to maximise personal development opportunities.

### KPI: training

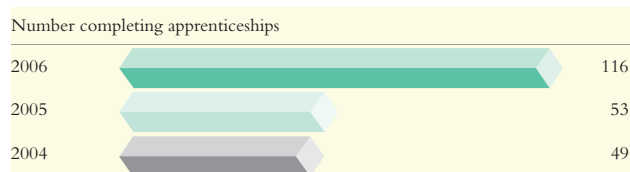
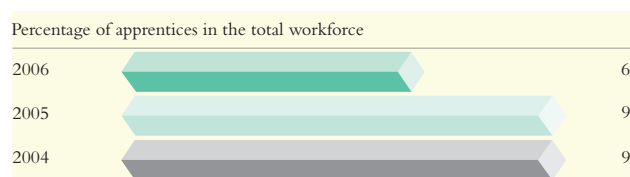
Number of training days 6,714

Apprentices as a percentage of total workforce 6%

Our approach to training and development continues to be co-ordinated mainly through our Homing in on Opportunity initiative. The scheme focuses on four key areas: encouraging young people to think about a career in house building; developing the skills of those people embarking on a career with Persimmon; developing the managers of the future and bridging the gap between apprentices and site management roles.



In 2006, we had 324 apprentices at various stages of their training, representing 6% of our workforce. This year 116 apprentices completed their course and achieved a National Vocational Qualification (NVQ) in a relevant trade.



Persimmon's internal apprentice award scheme was launched in 2003 to increase the profile of youngsters in the construction industry and highlight their value in the workplace. Stephen Rees from Persimmon Homes Wales won the 2006 Apprentice of the Year Award and received a cheque for £1,000.

“Stephen has received outstanding reports from his colleagues, college tutors and site managers, all of whom have commended his consistently high standards, work ethic and talent and he is a deserved winner.”

Mike Farley, Group Chief Executive





*Our 2006 Management trainees*

**Developing management talent**

The Persimmon Management Development Programme offers a genuine fast track into senior management within the Group. It is open to anyone with a degree or HND qualification, ideally in a construction related field. In 2006, we recruited another 12 graduates onto the programme, reaching a milestone 50th graduate since the inception of the programme in 2002. Key features of this programme include:

- 52-week structured Development Programme.
- Placements in our four core areas – Land & Planning, Technical, Construction and Sales & Marketing.
- Head Office residential courses.
- Introduction to our key support functions including Customer Care, Legal and Finance.
- Mentorship throughout with progress and personal development opportunities discussed at regular training reviews.

To reflect our management trainees’ commitment, drive and enthusiasm we have introduced our Graduate of the Year Award. The inaugural award was won by Robert Philip from our North East operating business in recognition of his significant contribution to the ongoing success of the business.

“This award is testament to the success of all our graduates and the work they do for us. We’re very pleased to be able to recognise their achievements and hope they will go on to further success in the future.”

John White, Group Chairman

We have also launched a partnership with the Leadership Trust designed to provide future Managing Directors with the leadership skills they need to manage an operating business. Four directors have so far attended the course and this will be a regular feature of the Group’s development initiatives in the future.



# Customers



## Supporting the buying process

Choosing a home is one of the most important decisions that our customers will make, both emotionally and financially. We believe that we have a responsibility to help them make the right choice and provide the right level of service to make this process as stress free and straightforward as possible.

We supply all our customers with a Masterfile which is designed to guide our customers through the buying process. This includes information all our customers need to know from instructing a solicitor or financial advisor, to choosing fixtures and colour schemes. It also offers our customers guidance on health and safety issues in the home and on-site.

Our sales teams are trained to offer customers expert guidance and practical assurance throughout the buying process. Our customer advisors make regular telephone calls to update customers on progress on their new homes and are trained to respond quickly and efficiently to any queries they may have.

Subject to how far building has progressed, every Persimmon and Charles Church home is offered with a choice of fixtures and fittings encompassing the latest designs from leading manufacturers. We also offer our customers the flexibility and choice in how their home will look through our “Finishing Touches” initiative.

We also acknowledge that once we complete a sale, our obligation to our customers continues. This is outlined in the Persimmon Pledge – our customer charter. A few days after moving in members of our on-site construction team will visit to ensure that each customer is happy with their home and to resolve any immediate issues that may have arisen. Customers can also access a dedicated customer care helpline and a 24-hour emergency hotline in the event of a failure of any service supply, such as electricity, gas or water. We also offer customers a weekly construction clinic on site.

## Ensuring quality

Over the past two years we have improved our quality control processes to ensure our customers get the best quality home possible.

We undertake regular site inspections during the building process to monitor the quality of the homes we build. This is supported by monitoring undertaken by the National House Building Council (NHBC), who ultimately provide a 10-year building warranty on each home.

Before completion, a comprehensive 24-point pre-plastering inspection is carried out by the site manager and a senior member of the construction department. This inspection includes a check on foundations, plumbing, wiring, blockwork and cavities. In addition, we have a sub-contractor control list, which sets the criteria for certain quality standards which each sub-contractor agrees to meet. These quality standards provide another control within the quality control process.

Prior to each home being released to the customer it is inspected by our sales and construction staff and often a local office director. A member of our on-site team then provides a new home demonstration of the fixtures, systems and appliances fitted. We provide a Quality Assured Certificate for insertion into the customer’s Masterfile on the day of completion.

We recognise that of the thousands of new homes we sell each year, there will inevitably be teething problems. We provide our customers with a “one month inspection form” which allows customers to inform us of any problems they may be having. On receiving this information we endeavour to complete all agreed items within 28 days.





**Customer satisfaction**

We have invested heavily in training our staff to improve customer service. We have also implemented systems that allow us to monitor how well we are performing. We measure the satisfaction of our customers in a number of ways and information is collated and reported to management teams within our operating businesses on a weekly basis and to Group management on a monthly basis. This detailed level of management information allows us to identify particular trends and issues upon which we can focus our efforts.

We measure customer satisfaction in two ways: through internal new home satisfaction surveys and through external customer satisfaction surveys undertaken by the NHBC. The latter is part of a broader commitment by Persimmon to provide the building industry with meaningful comparisons between house building companies. We use this management information to help improve levels of customer satisfaction.

**KPI: Customer satisfaction**

Our customers who would recommend Persimmon to a friend 86%

Our internal questionnaire asks our customers 10 questions to determine how satisfied they are with their new home. These include questions relating to the build process, the level of information provided to them, the ease with which problems could be reported, our speed of response and their overall satisfaction. Information from these surveys is collated centrally six weeks after customers move into their new home and monitored at both operating business and Group level. Our surveys have shown increasing customer satisfaction with our homes and our service.

The NHBC survey is sent to customers approximately nine months after completion. Their questionnaire includes eight questions covering various areas of customer satisfaction. Persimmon is pleased to participate in this survey and agrees that ensuring and improving customer satisfaction is critical within the industry. The latest published NHBC results from the smaller survey completed between April and September 2005 suggested that Persimmon customers were between 70% and 80% satisfied with the quality of their homes and would recommend Persimmon to a friend.

Whilst we constantly endeavour to improve customer satisfaction, we were encouraged by these results and will continue to participate in the NHBC survey.



# Persimmon in the Community



## Building communities

We build homes all over the UK. We need to be adaptable and develop a good understanding of the needs of local people and communities in which we build. This approach ensures the developments we create are able to enhance the existing community and contribute to the sustainability of the whole area.

The Government’s Planning Policy Guidance (PPG) sets out the way in which developments should be designed and what should be included. Moreover, the Government is promoting the concept of sustainable communities to create thriving, vibrant communities which will improve everyone’s quality of life. Whilst we agree in principle with these concepts – it makes commercial sense for us to build communities in which people want to live – the policies can make the planning system challenging and increase the time it takes to achieve planning permission.

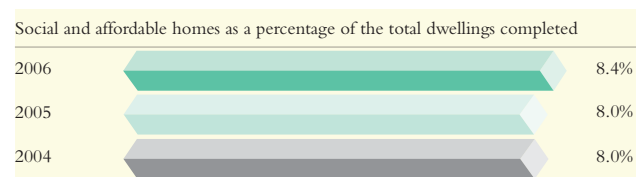
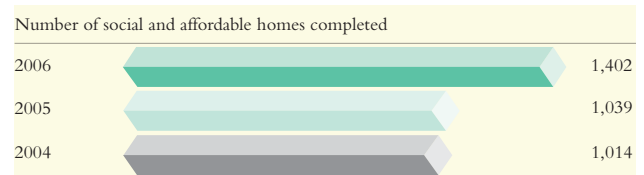
We hope that our developments benefit the people that live there and in the surrounding area. This may be by providing shared open spaces for local residents, building new schools or community centres, or improving local infrastructure. Often we can also contribute to the local economy through the creation of new jobs, the use of local businesses and materials and the development of local infrastructure. We endeavour to make sure that the developments we create meet the needs of the local communities we serve.

This focus at a local level is what differentiates us from our peers. Persimmon’s 36 local operating businesses are staffed by people that understand the local market and communities. They have developed important relationships with local planning authorities and other community groups, which helps us to understand and appreciate their views and where possible to incorporate these into our developments.

## Inclusiveness and affordable housing

In the UK, there is a shortage of new affordable and social housing. Long term government funding deficits and inadequate supply are compounding problems of affordability. Over the past year, particularly with our acquisition of Westbury, we are in a much stronger position to tackle these issues through a combination of knowledge, available through Partnerships Scotland and Westbury Partnerships, improved technology from our Space4 business, and our Group expertise and procurement strengths.

Persimmon has continued to establish and maintain its relationships with numerous social landlords and housing associations to build mixed, integrated and inclusive developments which support greater social cohesion. During 2006, we agreed a contract to secure funding from the Housing Corporation to build subsidised affordable homes in England. This represents the first time that a combined grant has been provided to a private house builder, utilising funds from the Housing Corporation’s New Partners in Affordable Housing Programme (NPiAH) and National Affordable Housing Programme (NAHP).



In 2006, Persimmon completed 1,402 social and affordable housing units throughout England, Wales and Scotland. This is a significant increase on previous years and represents over 8% of the total homes completed by the Group.

#### KPI: Inclusiveness and affordable housing

Number of social and affordable homes completed	1,402
Social and affordable home as a Percentage of total homes completed	8.4%

We are pleased to have been selected to take part in the Design for Manufacture Competition, run by English Partnerships on behalf of the Department for Communities and Local Government. This competition aims to demonstrate it is possible to build a high quality home for a construction cost of £60,000. By focusing on the cost of construction, the Design for Manufacture Competition aims to improve construction efficiency and help to make homes more affordable.

Persimmon has been selected to build 137 homes at Park Prewett Hospital, near Basingstoke (42 of which will be built for under £60,000). The site will include three £60,000 Lifetime Homes housing types that allow occupiers to adapt the features of the house as their family grows and contracts, from couples to families and then back down to two-person homes. This reduces

#### CASE STUDY: BUILDING FOR LIFE GOLD STANDARD

Chapel is a brownfield development in St Mary's, Southampton, completed in 2006. This was awarded the Building for Life Gold Standard. This is a national benchmark for well designed housing and neighbourhoods in England and is awarded to new housing projects that demonstrate a commitment to high design standards.

Chapel was built by our South Coast operating business in collaboration with Swaythling Housing Society. The site, a former lorry depot, sits between a main road, a new low-rise office park and a freight rail line. The scheme comprises apartments and townhouses, which form three blocks, each with an internal private courtyard. Affordable homes account for 37% of the properties within each block. The design is a contemporary fusion of brick, white render, wood cladding and grey steel cladding. Streets between the blocks have on-street parking but also wide pavements which are well lit and include high quality landscaped gardens and public seating. Every property has an outdoor space, whether balcony or garden, which is orientated to provide maximum sunshine. Solar photovoltaic panels are also used to provide electricity to power the lighting for communal corridors.



Artist's impression of £60,000 homes

the need for people to move home simply to seek more suitable space and maximises the demographic sustainability of UK housing. We hope to report in more detail on the progress of this development in next year's CR report.

#### Community investment

In 2006, charitable donations made by the Group were £251,000 (2005: £203,000). A significant proportion of which was donated to Persimmon's nominated charity of the year, Marie Curie Cancer Care, and Charles Church's nominated charity, Dreams Come True. In addition, fundraising activities around the Group generated an additional £326,000 of donations to a variety of charities and good causes.

#### KPI: Community investment

Charitable donations made by the Group	£251,000
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As well as charitable donations, each of our operating businesses donates to local community projects through the contribution of staff time, labour or materials. This reflects the regional nature of our business and allows management and employees in each local area to get involved in initiatives that resonate with their particular area and business. However, because of the varying nature of this support and assistance, detailed information relating to this non-financial support is not collated centrally.

Persimmon has pledged long-term support to the York Minster Development Campaign. The Group is donating £700,000 over 10 years to help train apprentices in the ancient craft skills which will be used to repair and conserve the East Front of York Minster.

"This is a most generous and extremely important donation. By funding apprentices it helps to keep alive the ancient craft skills thereby ensuring that the gift has an effect long after the East Front Project is complete."

Dr Richard Shephard, Director of Development, York Minster

# The Next Steps



We have continued to develop our approach to CR. We have robust policies and have worked hard to monitor and review our performance on a regular basis through the collection of Key Performance Indicators. These have delivered measurable benefits to the business, our customers and to the communities in which we build.

We believe we are in an ideal position to strengthen our approach to CR even further and over the next year we will review our strategy to ensure we generate the most value for the business, our customers and employees and for the communities in which we build. We remain committed to the principles of CR and look forward to reporting on this work and our strategic aims in next year's report.



*Building for the future: The Living 1 Project at Irlam, Manchester*

**CR DATA TABLE**

<b>ENVIRONMENT</b>	<b>Units</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Average SAP rating		–	–	92.3	93.5	94.5
Appliances installed with an energy efficiency rating above C	%	–	–	–	92%	99%
Total waste generated	Thousand tonnes	–	–	–	128.1	150.7
Waste recycled	Thousand tonnes	–	–	–	85.8	96.3
Waste generated per dwelling constructed	Tonnes	–	–	–	10.8	9.0
Dwellings in which eco-joists were used	%	–	62%	87%	91%	99%
Homes built on brownfield land	No.	6,794	6,082	6,340	7,141	9,352
Percentage of homes built on brownfield land	%	55%	50%	51%	57%	56%
Trees planted	No.	–	29,000	28,000	31,700	24,100
Trees planted per home	No.	–	2.4	2.3	2.5	1.4
Environmental prosecutions	No.	0	0	1	0	0
<b>HEALTH &amp; SAFETY</b>	<b>Units</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
No. of RIDDOR reportable incidents	No.	139	159	146	133	172
RIDDOR's per 100,000 employees	No.	1,219	1,193	1,146	1,031	1,295
Operating businesses achieving bronze or above standard PASS (Audit)	%	–	93%	97%	100%	97%
Operating businesses achieving bronze or above standard PASS (Site inspection)	%	–	100%	100%	100%	100%
Health & Safety Executive prosecutions	No.	2	2	1	0	0
<b>WORKING AT PERSIMMON</b>	<b>Units</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Total employees	No.	4,182	4,273	4,602	4,613	5,349
Female employees	No.	–	–	1,299	1,302	1,511
Percentage of female employees	%	–	–	28%	28%	28%
Female directors	No.	–	–	17	21	26
Training days provided	No.	4,000	4,200	5,982	6,282	6,714
Apprentices	No.	202	327	409	393	324
Apprentices as a percentage of total workforce	%	5%	8%	9%	9%	6%
Apprentices completing NVQs	No.	0	0	49	53	116
<b>CUSTOMERS</b>	<b>Units</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Customers who would recommend Persimmon to a friend	%	–	–	–	–	86%
<b>PERSIMMON IN THE COMMUNITY</b>	<b>Units</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Social and affordable homes completed	No.	–	1,000	1,014	1,039	1,402
Social and affordable homes as a percentage of total homes completed	%	–	8.0%	8.0%	8.0%	8.4%
Charitable donations made by the Group	£	123,055	89,000	81,500	136,000	251,000

Data marked – was not recorded at that time