

Bellway4Good

Corporate Responsibility

2016/2017



Bellway

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1. VISION

Introduction

As one of the UK's largest house builders, Bellway Homes has a role to play in addressing the growing national housing shortage by building high quality new homes in desirable locations. We believe we can fulfil this role whilst at the same time operating our business in a socially responsible, ethical and sustainable way.

A sustainable approach to construction isn't just beneficial for the environment; it makes commercial sense and brings benefits to our shareholders, customers, employees and the local community. Our long term approach to Corporate Responsibility (CR), branded as Bellway4Good, focuses on three principal areas of importance to our business and encompass various 'themes' against which we set annual targets to monitor our ongoing performance.

- **Environment - biodiversity and ecology; energy; water usage; waste; transport; carbon emissions.**
- **Construction - planning; research and development; supply chain management; waste management; site management.**
- **Society and Economy - employee development; charitable giving; health and safety; economic development; stakeholder engagement; customer care; sustainable communities.**

Bellway4Good is our commitment to ensure that we operate our business in a responsible manner and is reflected through our actions and within our comprehensive suite of corporate policies, processes and procedures.

This update covers our CR activity in the 2016/17 year. It summaries key CR developments and data, including how we have performed against our annual targets, and sets out our targets for the current 2017/18 year.

For full details of our CR vision and strategy, and information on how we manage our key CR impacts, please see our web based CR report at www.bellway.co.uk/corporate-responsibility.

Executive Chairman's Statement

It has been another record year for Bellway as we've continued our approach to being a responsible homebuilder, further developing our CR activity under the Bellway4Good banner.

We have increased the number of new homes sold in 2016/17 by over 10% to 9,644 and as we continue to grow so does our workforce with the average number of people directly employed increasing by around 7% to 2,595. We also engage with our sub-contractors and supply chain partners, and we estimate that in total, between 29,000 and 30,000 jobs were supported as a result of Bellway's operations.

I would like to extend my thanks to all those who have worked for and with Bellway in the last year. Their skill, hard work and dedication has been recognised in a number of ways:

- **We were proud to have been awarded 5 star homebuilder status by the Home Builder Federation (HBF), demonstrating our commitment to customer service.**
- **A record 49 of our site managers were recognised in the National House Building Council (NHBC) Pride in the Job Awards.**
- **We received 10 NHBC Health and Safety Awards.**

We continue to invest in our workforce and this year we created a set of structured apprenticeship programmes and increased the number of apprentices and graduates within the business by 11%. Training across the Group has increased with average training days per employee rising to a record 4.2 days.

This was the third year that we have set ourselves a range of CR targets to drive forward performance across the business and we are pleased to report some key successes:

- **Increased the percentage of construction compounds fitted with energy saving devices to 94% (2016 - 84%).**
- **Launching a trial energy saving campaign for divisional offices.**
- **Further improved our waste diversion rate to 97.8% (2016 - 95.9%).**
- **Improved our NHBC safety score by almost 10% to 0.690 (2015 - 0.766).**
- **Achieved the top rank in the World Wild Fund for Nature's (WWF) Timber Scorecard 2017.**
- **Raised and donated £385,913 to Cancer Research UK, our corporate charity.**
- **Quantified the wider benefits that our business delivers through the publication of Bellway's first Economic and Social Impact Report.**

We remain committed to improving our CR credentials, listening to and meeting the needs of various stakeholder groups and improving the sustainability of our homes. If you have any comments about our approach to CR we would welcome your feedback.

John Watson

Executive Chairman

[Bellway4Good@bellway.co.uk](mailto:bellway4good@bellway.co.uk)

1. VISION

PERFORMANCE AGAINST 2016/17 TARGETS

Environment		
Energy	<p>We will increase the proportion of construction compounds fitted with energy saving devices to at least 90%</p> <ul style="list-style-type: none"> By the end of 2016/17, 94.0% of our compounds were fitted with energy saving devices (2016: 84.3%). 	
Energy	<p>We will limit the engine size of forklifts to 55 watts on all sites by 2019, delivering fuel and carbon savings</p> <ul style="list-style-type: none"> 83.5% of our forklift fleet has now been fitted with 55 watt engines (2016: 68.9%) 	
Energy	<p>We will develop a 'best practice' energy saving campaign, implement in 1 division and assess its impact prior to considering roll-out across the wider business</p> <ul style="list-style-type: none"> The campaign has now been launched in 3 divisions. We will assess its effectiveness in reducing energy usage before considering a roll-out to all divisions throughout 2018 	
Water	<p>We will introduce metered supplies for construction water usage at 90% of new developments, building up an accurate picture of Bellway's water usage</p> <ul style="list-style-type: none"> 91.3% of new sites were fitted with water meters. Construction water usage will continue to be monitored and analysed, with usage trends identified based on differing site characteristics. Reduction initiatives will then be tailored to different site types and construction methods 	
Carbon	<p>We will develop quarterly carbon reporting with a view to establishing carbon reduction targets in future years</p> <ul style="list-style-type: none"> Carbon data is now collated on a quarterly basis and throughout 2018 further analysis will be undertaken to establish a 'cost of carbon' measure, identify opportunities for savings, roll-out best practice and consider potential carbon reduction targets 	
Construction		
Construction Waste Management	<p>We will continue work to introduce a maximum number of waste management contractors across all divisions, aiming for 100% compliance by 2018 and work to identify key waste reduction opportunities</p> <ul style="list-style-type: none"> In-depth analysis of site-by-site waste data for 20% of divisions has indicated negligible cost saving opportunities. Therefore the target has been curtailed and the focus in 2018 will be on spreading best practice on waste management across the wider Group 	
Construction Waste	<p>We will maintain the proportion of waste diverted from landfill on construction sites at 95% or above</p> <ul style="list-style-type: none"> We continue to improve our diversion rates, achieving 97.8% in 2017 (2016: 95.9%) 	
Planning	<p>We will pilot Building for Life on a minimum of 1 site and assess the impact on planning, construction costs and development desirability over the next 3 years</p> <ul style="list-style-type: none"> The initial live site for assessment has been identified and stage 1 has seen a review of the planning process to assess our engagement with Building for Life, test perceived benefits to accelerating the planning process and quantify the additional work/cost/time involved 	
Construction R&D	<p>We will continue to investigate new commercially available sustainable building products/techniques/materials to assess their design and build performance</p> <ul style="list-style-type: none"> Five building products, techniques or materials were investigated in 2017 with further investigation and evaluation to continue in 2018 	
Supply Chain Management	<p>We will continue to source 100% of timber from sustainable supplies</p> <ul style="list-style-type: none"> In 2017 100% of our timber was supplied from sustainable sources (Category A and Category B) and Bellway achieved the top rank in the WWF's Sustainable Timber Scorecard 	
Society and Economy		
Customer Engagement	<p>We will deliver high levels of customer satisfaction and aim to achieve 5 Star Builder status for the 2016 year</p> <ul style="list-style-type: none"> We regained our 5 Star Builder status, with at least 90% of our customer saying they would recommend Bellway to their friends (2016: 4 Star) 	
Health and Safety	<p>We will deliver slips, trips and falls safety briefings at 100% of sites to aid a reduction in our RIDDOR Reportable Accident and Incidents</p> <ul style="list-style-type: none"> All sites received at least 1 slips, trips and falls safety briefing during the year, assisting in the reduction in our RIDDOR rate to 426.37 (2016: 445.19) 	
Employee Development	<p>We will increase the number of training days per employee compared to 2015/16 levels</p> <ul style="list-style-type: none"> 4.24 training days per employee were delivered, five times the level of the previous year (2016: 0.84). In total 10,518 training days were delivered (2016: 1,970) while training hours totalled 54,613 (2016: 11,825) 	
Employee Development	<p>We will develop a more structured and integrated programme for graduates, trainees and apprentices by 2018</p> <ul style="list-style-type: none"> Various new apprenticeship programmes were started along with a bespoke structured Trainee Assistant Site Manager programme. A graduate schemes will be reviewed during 2018 	
Charitable Giving	<p>We will engage with our employees and Cancer Research UK with the aim of raising and donating over £100,000 to the charity in the 2016/17 year</p> <ul style="list-style-type: none"> In 2017 we successfully donated a total of £385,913 to Cancer Research UK 	

1. VISION

2017/18 TARGETS

Environment	
Energy	We will ensure that 100% of our compounds are fitted with energy saving devices by 2020
Energy	We will limit the engine size of fork lifts to 55 watts on all sites by 2019, delivering fuel and carbon savings
Energy	We will roll-out an energy saving campaign to all divisional offices as a trial to measure and reduce office energy use (measured in kwh per employee)
Carbon	We will monitor and analyse our carbon footprint data, identifying areas for greatest potential savings, prior to devising a strategy to set a longer term carbon reduction target for 2018/19
Construction	
Construction Waste	We will maintain the proportion of waste diverted from landfill on construction sites at 97% or above
Construction Waste	We are committed to reducing the amount of waste we generate and in 2017/18 we will establish a rolling average measurement of tonnes of waste per 1000 sq foot of completed homes with a view to setting a strategy to reduce waste in 2018/19
Planning	We will pilot Building for Life on a minimum of 1 site and assess the impact on planning, construction costs and development desirability over the next 3 years (2016/17 – 2019/20)
Society and Economy	
Customer Engagement	We will deliver high levels of customer satisfaction, aiming to retain our 5 Star Builder status for the 2017 year and achieving an overall customer satisfaction score of at least 85.7%
Health and Safety	We will deliver Traffic Management and Ladder Training safety briefings at 100% of sites to aid a reduction in our RIDDOR Reportable Accident and Incidents
Employee Development	We will develop a more structured and integrated programme for graduates, trainees and apprentices by 2018
Charitable Giving	We will extend our partnership with Cancer Research UK for a further year and aim to increase our fundraising and donation total across the 2 year period to at least £600,000
Charitable Giving	We will continue to encourage and support our employees in their fundraising activities, increasing the amount they raise for charity compared to 2016/17, by: <ul style="list-style-type: none"> • Matching their individual fundraising efforts • Introducing a Payroll Giving service to enable them to easily donate to their chosen charitable cause in a tax efficient way

1. VISION

5 YEAR CR DATA KPI	Financial year ended 31st July				
	2013	2014	2015	2016	2017
Commercial					
Total number of homes sold	5,652	6,851	7,752	8,721	9,644
Number of plots with detailed planning permission	18,991	19,434	21,411	24,879	25,655
Environment					
Scope 1 emissions ⁽¹⁾ (tCO ₂ e) ⁽²⁾	-	9,335	10,634	16,362	18,844
Scope 2 emissions ⁽³⁾ (tCO ₂ e) ⁽²⁾	-	3,509	4,358	5,972	6,065
Total Scope 1 and 2 emissions (tCO ₂ e) ⁽²⁾	-	12,844	14,992	22,334	24,909
tCO ₂ e ⁽²⁾ per home constructed	-	1.9	1.9	2.6	2.6
tCO ₂ e ⁽²⁾ per Bellway employee	-	6.6	6.9	9.4	9.8
Number of homes built incorporating renewable and energy saving technology	2,278	3,299	3,878	3,351	3,723
Percentage of site compounds fitted with energy saving devices ⁽⁴⁾	-	-	51.9%	84.3%	94.0%
Number of active sites with a Biodiversity Plan in place	39	59	46	48	86
Number of homes with rainwater harvesting	152	988	824	1,183	1,170
Number of homes with waste recycling facilities	1,897	4,085	4,566	4,303	4,645
Number of sites with SuDS designed into the scheme	114	144	140	129	198
Number of Trees planted	8,485	13,353	23,513	18,003	22,231
Number of current sites with car clubs	16	15	10	11	14
Number of homes with access to a cycle store	2,813	2,808	3,327	4,091	4,237
Number of sites within 500 metres of a transport node	154	180	139	182	233
Construction					
Percentage of homes developed on brownfield sites	74%	74%	74%	62%	59%
Number of EcoHomes with 'Very Good' rating or better	422	129	157	129	214
Number of homes built to Code Level 3	1,566	2,566	2,607	2,815	1,370
Number of homes built to Code Level 4	244	670	991	1,048	1,091
Number of homes built to Code Level 5 ⁽⁴⁾	-	1	11	0	0
Financial contributions under Section 106 Agreements and Community Infrastructure Levy	£44.2m	£43.5m	£79.0m	£147.9m	£118.2m
Percentage of timber from sustainable sources	100%	100%	100%	100%	100%
Waste (tonnes) per unit sold	7.69	7.32	8.61	8.52	9.25
Percentage of waste diverted from landfill	90.2%	89.3%	92.9%	95.9%	97.8%
Society and Economy					
Number of Bellway employees as at 31 July	1,771	2,043	2,298	2,387	2,595
Percentage of females	30%	27%	27%	28%	29%
Employee turnover ⁽⁶⁾	17.5%	20.8%	19.1%	23.4%	21.2%
Number of Site Managers with NVQ Level 6	1	106	142	206	235
Number of apprentices directly employed by Bellway	25	44	59	61	92
Number of NHBC 'Pride In The Job' awards received	27	29	33	43	49
Number of reportable RIDDOR major injuries per year	22	24	26	32	37
Reportable incident rate per 100,000 employees	486.51	447.09	430.75	445.19	426.36
Number of health and safety prosecutions	0	1	1	0	0
Number of homes sold to Registered Providers	958	1,042	1,574	1,376	2,073
Number of homes built to Lifetime Homes standards	818	1,901	2,117	2,130	2,009
Charitable donations	£77,699	£97,637	£146,010	£210,000	£292,873
Employee fundraising ⁽⁴⁾	-	-	£37,530	£74,704	£229,047
Number of units built to Secured by Design principles	1,897	3,176	3,575	4,414	3,601
Home Builders Federation star rating	5	5	4	4	5

1. Fuel and gas, including petrol and diesel used on-site and in company vehicles on company business

2. Tonnes of carbon dioxide equivalents

3. Purchased electricity

4. 2015 was the first year of reporting

5. 2014 was the first year of reporting

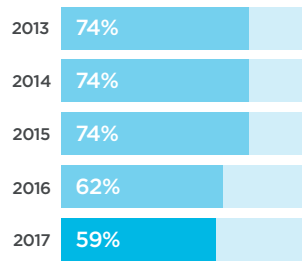
6. Including redundancies

2. ENVIRONMENT

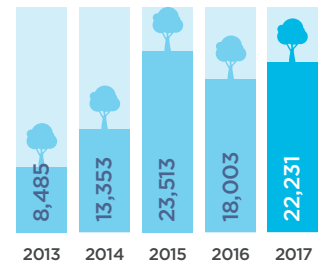
Biodiversity and Ecology

- 86 active sites had biodiversity plans in place (2016: 48)
- 198 active sites had Sustainable Drainage Systems (SuDS) designed into the development (2016: 129)
- Over 22,000 trees were planted across our developments (2016: 18,003)
- On average 29 trees/shrubs were planted for every home built (2016: 22)
- 59% of our homes were developed on brownfield sites (2016: 62%)

PERCENTAGE HOMES DEVELOPED ON BROWNFIELD SITES



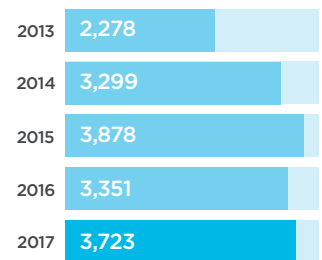
NUMBER OF TREES PLANTED



Energy

- 94% of compounds were fitted with energy saving devices (2016: 84%)
- By the end of the year all fork lift machines with a less than 17 metre reach were fitted energy efficient engines - this represented 78% of our fork lift fleet.
- 3,723 homes incorporated renewable and energy saving technology (2016: 3,351)
- Our homes constructed achieved an average dwelling emission rate (DER) of 6.04% better than building regulations (2016: 5.67% better)
- An energy saving campaign was trialled in 3 divisions

NUMBER OF HOMES WITH ENERGY SAVING / RENEWABLE TECHNOLOGY



PERFORMANCE AGAINST 2016/17 TARGETS

We will increase the proportion of construction compounds fitted with energy saving devices to at least 90%

- By the end of the year, 94.0% of our compounds were fitted with energy saving devices (2016: 84.3%).



We will limit the engine size of forklifts to 55 watts on all sites by 2019, delivering fuel and carbon savings

- 83.5% of our forklift fleet has now been fitted with 55 watt engines (2016: 68.9%)



We will develop a 'best practice' energy saving campaign, implement in 1 division and assess its impact prior to considering roll-out across the wider business

- The campaign has now been launched in 3 divisions. We will assess its effectiveness in reducing energy usage before considering a roll-out to all divisions throughout 2018



Water

- 1,170 homes were supplied with garden rainwater harvesting (2016: 1,183)
- 198 active sites had Sustainable Drainage Systems (SuDS) designed into the development (2016: 129)
- 91.3% of new sites were fitted with construction use water meters



PERFORMANCE AGAINST 2016/17 TARGET

We will introduce metered supplies for construction water usage at 90% of new developments, building up an accurate picture of Bellway's water usage

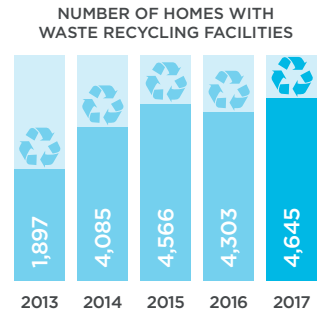
- 91.3% of new sites were fitted with water meters. Construction water usage will continue to be monitored and analysed, with usage trends identified based on differing site characteristics. Reduction initiatives will then be tailored to different site types and construction methods



2. ENVIRONMENT

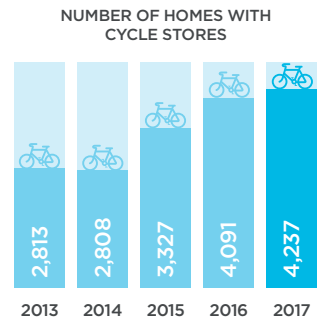
Domestic Waste

- 4,645 homes were constructed with integrated waste recycling facilities (2016: 4,303)



Transport and Connectivity

- 4,327 homes were built with access to a cycle store (2016: 4,091)
- 233 development sites were within 500 metres of a transport node (2016: 182)
- 14 current sites had an active car club (2016: 11)



Climate Change

- 24,909 tonnes of carbon emissions were produced (2016: 22,334)
- 2.6 tonnes of carbon emissions per home construction were produced (2016: 2.6)
- 9.8 tonnes of carbon emissions per Bellway employee were produced (2016: 9.4)
- 94% of compounds were fitted with energy saving devices (2016: 84%)
- 3,723 homes incorporated renewable and energy saving technology (2016: 3,351)
- Homes constructed in the year achieved an average dwelling emission rate (DER) of 6.04% better than building regulations (2016: 5.67% better)
- An energy saving campaign was trialled in 3 divisions

Greenhouse Gas Emission (tonnes of CO ₂ e) ¹	2017	2016
Scope 1 - Combustion of fuel & operation of facilities (including diesel and petrol used on-site and in company cars on Group business)	18,844	16,362
Scope 2 - Electricity purchased for our own use ²	6,065	5,972
Total Emissions	24,909	22,334
EMISSIONS INTENSITY:		
tCO ₂ e per Bellway home sold ³	2.6	2.6
tCO ₂ e per Bellway employee ⁴	9.8	9.4

1. Carbon dioxide equivalent 2. Scope 2 emissions have been reported using a location based emission factor 3. Based on number of legal completions
4. Based on the average number of employees during the year

An element of carbon estimation is undertaken in the following areas:

- Diesel fuel usage on a small number of sites where fuel is provided by our groundworks contractors. Bellway's share of the usage is estimated based on forklift usage.
- Divisional offices where gas and electricity usage is included within landlord charges. Bellway's usage is estimated using a kwh per square meter of occupied floor space figure derived from other divisional offices with utility billing in place.

Our overall carbon emissions have increased by 11.5% to 24,909 tonnes CO₂e (2016: 22,334). This has largely been driven by an increase in construction activity, with the number of homes sold increasing by 10.6% to 9,644 (2016: 8,721). Using our chosen business metrics, carbon emissions per home sold has remained consistent with the previous year at 2.6 (2016: 2.6) and carbon emissions per employee have risen by 4.3% to 9.8 (2016: 9.4). Both the 2016 and 2017 emissions have been externally verified by Zeco Energy to a 'reasonable assurance level'.

PERFORMANCE AGAINST 2016/17 TARGET

We will develop quarterly carbon reporting with a view to establishing carbon reduction targets in future years

- Carbon data is now collated on a quarterly basis and in 2018 further analysis will be undertaken to establish a cost of carbon measure, identify opportunities for savings, roll-out best practice and consider potential carbon reduction targets



Achieved
 Progressing
 Curtailed early
 Missed

3. CONSTRUCTION

Planning

- 9,644 homes were sold in the year (2016: 8,721)
- 25,655 plots owned with implementable detailed planning permission in place (2016: 24,879)
- 59% of our homes were developed on brownfield sites (2016: 62%)
- £118.2m was committed in community investment through Section 106 and Community Infrastructure Levy (2016: £147.9m)

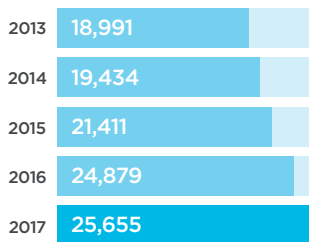
PERFORMANCE AGAINST 2016/17 TARGET

We will pilot Building for Life on a minimum of 1 site and assess the impact on planning, construction costs and development desirability over the next 3 years

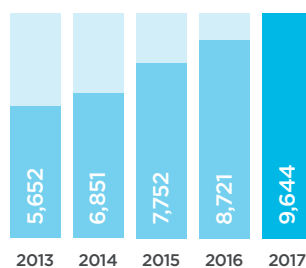
- The initial live site for assessment has been identified and stage 1 has seen a review of the planning process to assess our engagement with Building for Life, test perceived benefits to accelerating the planning process and quantify the additional work/cost/time involved



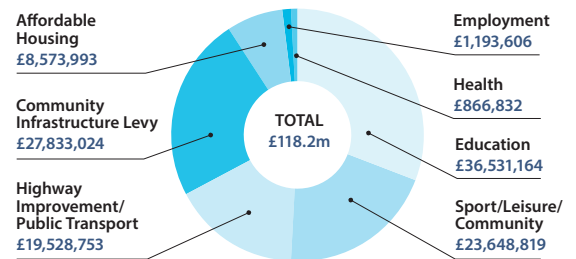
NUMBER OF OWNED AND CONTROLLED PLOTS WITH IMPLEMENTABLE DPP (DETAILED PLANNING PERMISSION)



NUMBER OF HOMES SOLD



SPLIT OF SECTION 106 PAYMENTS



Research and Development - Sustainable Construction

PERFORMANCE AGAINST 2016/17 TARGET

We will continue to investigate new commercially available sustainable building products/techniques/materials to assess their design and build performance

- Five building products, techniques or materials were investigated in 2017 with further investigation and evaluation to continue in 2018



Procurement and Supply Chain Management

- 100% of directly supplied timber came from certified sustainable sources (2016: 100%)
- We secured the top score of '3 trees' in the WWF's Sustainable Timber Scorecard 2017, one of only two national housebuilders to achieve this
- A top level risk analysis of national suppliers was undertaken, identifying no areas of significant concern
- We remain a signatory to the Prompt Payment Code

PERFORMANCE AGAINST 2016/17 TARGET

We will continue to source 100% of timber from sustainable supplies

- In 2017 100% of our timber was supplied from sustainable sources (Category A and Category B) and Bellway achieved the top ranking in the WWF's Sustainable Timber Scorecard



Construction Waste

- Diversion rates continue to improve with 97.8% of waste diverted from landfill (2016: 95.9%) - rates have now risen year-on-year from 82.3% in 2012
- The amount of waste sent to landfill fell by 36.9%
- Tonnes of waste per home sold rose to 9.25 (2016: 8.52)

3. CONSTRUCTION

Waste Performance

Waste Category	12-13 (tonnes)	13-14 (tonnes)	14-15 (tonnes)	15-16 (tonnes)	16-17 (tonnes)
Timber (t)	4,153	5,222	5,126	6,923	10,511
Aggregates (t)	9,258	8,624	13,785	16,432	19,188
Plasterboard (t)	2,373	2,596	3,162	3,562	4,110
Mixed metals (t)	174	286	304	477	1,322
Mixed waste (t)	27,206	33,303	44,353	46,830	53,771
Electrical (t) ¹	108	3	1	1	9
Hazardous (t)	186	123	9	37	164
Total (t)	43,458	50,157	66,740	74,262	89,075
Diverted (t)	39,181	44,784	62,001	71,226	87,196
Diverted (%)	90.2%	89.3%	92.9%	95.9%	97.8%
Homes Completed	5,652	6,851	7,752	8,721	9,644
Waste (t) per Completed Home	7.69	7.32	8.61	8.52	9.25

¹ The significant drop in electrical waste was due to electrical contractors retaining their own waste for recycling off-site.

PERFORMANCE AGAINST 2016/17 TARGETS

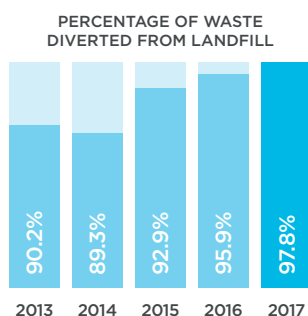
We will continue work to introduce a maximum number of waste management contractors across all divisions, aiming for 100% compliance by 2018 and work to identify key waste reduction opportunities

- In-depth analysis of site-by-site waste data for 20% of divisions has indicated negligible cost saving opportunities. Therefore the target has been curtailed and the focus in 2018 will be on spreading best practice on waste management across the wider Group



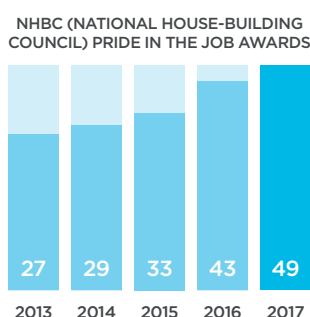
We will maintain the proportion of waste diverted from landfill on construction sites at 95% or above

- We continue to improve our diversion rates, achieving 97.8% in 2017 (2016: 95.9%)



Construction Site Management

- 245 of our site managers hold NVQ Level 6 (or equivalent) qualifications, up 14% (2016: 206)
- A record 49 site managers won National House Building Council (NHBC) Pride in the Job Awards received (2016: 43)
- 10 Bellway Site Managers won awards at the 2017 NHBC Health and Safety Awards (2016: 5), including the National Award in the large builder category and the National Runner-up award in the multi-storey category
- We achieved an average Considerate Constructors Scheme (CCS) score of 34.6 (2016: 33.8)
- The proportion of sites registered with the CCS fell to 56% (2016: 58%)



4. SOCIETY AND ECONOMY

Bellway Employees

- The total number of Bellway employees increased by 8.7% to 2,595 (2016: 2,387)
- 245 of our site managers hold NVQ Level 6 (or equivalent) qualifications, up 14% (2016: 206)
- Training days were increased by 434% to 10,518 (2016: 1,970)
- Training days per employee increased to 4.24 (2016: 0.84), a 404% increase
- 92 apprentices and graduates are employed in the business, a 11% increase (2016: 83)
- A record 49 NHBC 'Pride in the Job Awards' were received (2016: 43)
- 10 Bellway Site Managers won awards at the 2017 NHBC Health and Safety Awards (2016: 5), including the National Award in the large builder category and the National Runner-up award in the multi-storey category
- Employee turnover fell to 21.2% (2016: 23.4%)
- We estimate that our construction activities support between 29,000 to 30,000 jobs, both directly and indirectly through sub-contract labour and our supply chain

PERFORMANCE AGAINST 2016/17 TARGETS

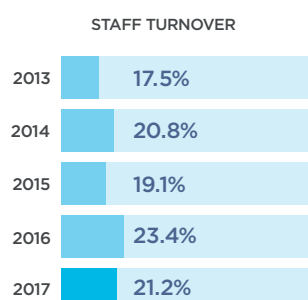
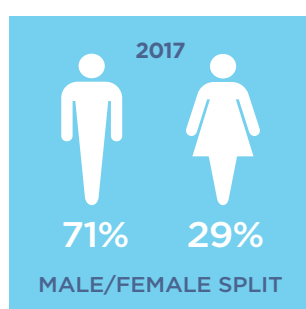
We will increase the number of training days per employee compared to 2015/16 levels

- 4.24 training days per employee were delivered, five times the level of 2016 (0.84). In total 10,518 training days were delivered (2016 - 1,970) while training hours totalled 54,613 (2016 - 11,825)



We will develop a more structured and integrated programme for graduates, trainees and apprentices by 2018

- Various new apprenticeship programmes were started along with a bespoke structured Trainee Assistant Site Manager programme. A graduate schemes will be reviewed in 2018



Charitable Giving

- A total of £385,913 was raised and donated Cancer Research UK (our charity partner), a 142% increase on last year's total (2016: £159,228)
- Total Bellway charitable donations amounted to £521,920 (2016: £284,704), an 83% increase on last year

Cancer Research UK was nominated as Bellway's official charity partner for 2016/17 and we committed to 'double match' every pound raised by employees as well as make a donation for each customer feedback survey received. A total of £385,913 has been raised and donated to the charity, with employees, sub-contractors and suppliers fundraising accounting for £184,793 of this total. This success has seen the partnership extended for at least another year.

Bellway also tops-up employee fundraising for other charitable causes and each Bellway Division operates its own dedicated budget to support local charities and community groups. Across all our charitable activity, total donations amounted to £521,920, of which £229,047 was raised by employees from their colleagues, friends, family and our suppliers.

PERFORMANCE AGAINST 2016/17 TARGETS

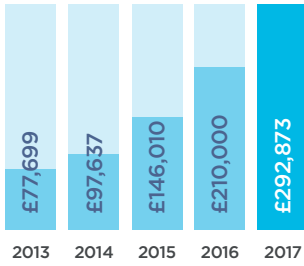
We will engage with our employees and Cancer Research UK with the aim of raising and donating over £100,000 to the charity in the 2016/17 year

- In 2017 we successfully donated a total of £385,913 to Cancer Research UK



4. SOCIETY AND ECONOMY

CHARITABLE DONATIONS



Health and Safety

- We have successfully reduced our RIDDOR seven-day reportable incident rate to 426.36 incidents per 100,000 site operatives (2016: 445.19)
- We delivered a campaign and safety briefings addressing slips, trips and falls at all Bellway sites
- For the fourth year running, our NHBC health and safety incident rate improved to 0.690 (2016: 0.766) – our score is 4 times better than the industry average of 3.017
- 10 Bellway Site Managers won awards at the 2017 National House Building Council (NHBC) Health and Safety Awards (2016: 5), including the National Award in the large builder category and the National Runner-up award in the multi-storey category
- There were no health and safety prosecutions during the year

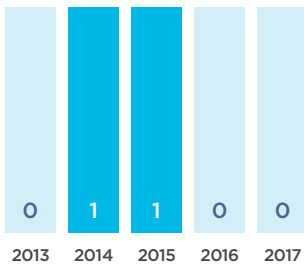
PERFORMANCE AGAINST 2016/17 TARGETS

We will deliver 'slips, trips & falls' safety briefings at 100% of sites to aid a reduction in our RIDDOR Reportable Accident and Incidents

- All sites received at least 1 'slips, trips and falls' safety briefing during the year, assisting in the reduction in our RIDDOR rate to 426.37 (2016: 445.19)



NUMBER OF HEALTH AND SAFETY PROSECUTIONS



4. SOCIETY AND ECONOMY

Economic Development

Overall

- We estimated that the economic output from Bellway's construction activities in 2016/17 is worth £5bn¹ (2016: £4.7bn)
- £186.1m contribution to public finances through tax revenues to central government was made as a result of Bellway's activities (2016: 168.5m)
- An estimated £59.3m boost was provided to local authority finances through new Bellway homes - council tax receipts and new homes bonus payments (2016: £45.8m)
- Bellway spent £1.4bn in our supply chain (2016: £1.2bn), with around £1.25bn remaining in the UK (2016: 1.1bn)

Finance

- Turnover increased 14.2% to £2,558.6m (2016: £2,240.7m)
- £106.4m was paid in corporation tax, up 11.8% (2016: £95.2m)
- £13.6m was paid in National Insurance to government, up 17.2% (2016: £11.6m)
- £128.9m was paid in salaries to employees, up 9.9% (2016: £117.2m)

New Homes

- New homes sold increased 10.6% to 9,644 (2016: 8,721)
- There was an estimated £48.2m² boost to the local economy through one-off spend from new Bellway home owners, followed by an estimated £231.2m³ ongoing annual local spend by these households
- 22% of our homes sold were to affordable housing providers (2016: 16%)
- 32% of our homes were sold to first-time buyers (2016: 32%), helping over 3,000 homeowners get their first foot on the property ladder

Investment

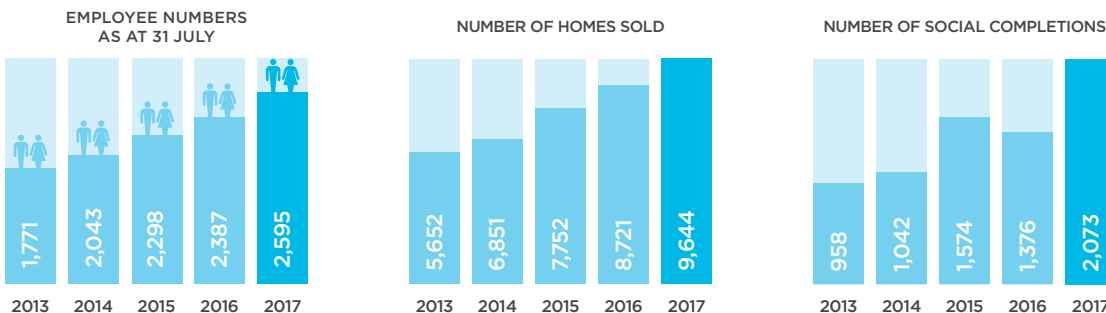
- £118.2m was committed in community investment through Section 106 and Community Infrastructure Levy in the past year (2016: £147.9m)
- We directly employ 2,595 people (2016: 2,387)
- We estimate that between 29,000 and 30,000⁴ jobs are supported by our construction activities, both directly and also indirectly through sub-contract labour and our supply chain

1. Calculated by multiplying our costs of sales for 2017 by economic multipliers quoted in studies reviewed by Home Builders Federation (HBF) and Nathaniel Lichfields & Partners in their report The Economic Footprint of UK House Building (2015)

2. Estimates on-off spending on a new home of £5,000 - The Economic Footprint of UK House Building (2015) by Home Builders Federation and Nathaniel Lichfields & Partners

3. Estimated using average UK household weekly expenditure figure of £461 per week (Office of National Statistics Family Spending Survey 2015)

4. Using data/metrics from The Economic Footprint of UK House Building (2015) by Home Builders Federation and Nathaniel Lichfields & Partners



4. SOCIETY AND ECONOMY

Customer Engagement

- We regained our 5 Star Homebuilder rating from the House Builders Federation (HBF) (2016: 4 Star), one of only 2 national housebuilders to have achieved this rating this year
- Based on the HBF customer satisfaction survey, we achieved an average overall customer care score of 85.2% (2016: 85.7%)
- We have provided 997 days of customer care training in the last year (2016: 966)
- 48% of our site managers have NVQ Level 6 qualifications or above
- A record 49 NHBC 'Pride in the Job Awards' were received (2016: 43), recognising site managers' commitment to customer care
- We created a new Customer Experience Committee to identify and drive forward further improvements in build quality and customer service

PERFORMANCE AGAINST 2016/17 TARGETS

We will deliver high levels of customer satisfaction and aim to achieve 5 Star Builder status for the 2016 year

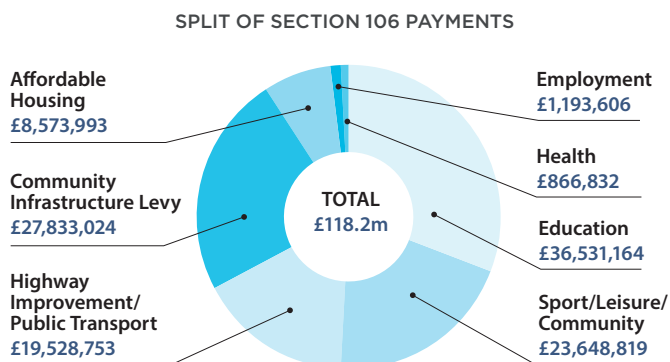
- We regained our 5 Star Builder status, with at least 90% of our customer saying they would recommend Bellway to their friends.



Creating Sustainable Communities

- 22% of our homes were sold to affordable housing providers (2016: 16%)
- 32% of our homes were sold to first-time buyers (2016: 32%), helping over 3,000 homeowners get their first foot on the property ladder
- £118.2m was committed during the year for community investment through Section 106 and Community Infrastructure Levy (2016: £147.9m)
- We estimate that between 29,000 and 30,000 jobs are supported by our construction activities, both directly and also indirectly through sub-contract labour and our supply chain¹

1. Using data/metrics from The Economic Footprint of UK House Building (2015) by Home Builders Federation and Nathaniel Lichfields & Partners



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