

Bellway4Good

Corporate Responsibility

2017/2018



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 on-going national housing shortage by building high quality new homes. We aim to do so in line with our corporate responsibility (CR) principles, ensuring that we operate in an ethical and sustainable manner, for the benefit of our customers, employees, shareholders, suppliers and local communities.

A sustainable approach to house building brings a multitude of advantages. As well as being beneficial for the environment, it makes commercial sense and brings benefits to our shareholders, customers, employees and the local community.

We continue to brand our long term approach to CR as Bellway4Good, operating under three core 'pillars' which we work to integrate into our mainstream operations with the aim of making CR 'business as usual'.

- **Environment - biodiversity and ecology; carbon emissions; energy; transport; water.**
- **Construction - planning; procurement; research and development; site management; waste management.**
- **Society and Economy - charities; customers; employees; health and safety; economic development; stakeholders.**

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 2017/18 year. It summarises key CR developments and data, including how we have performed against our annual targets, and sets out our targets for the current 2018/19 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.

You can also view our Economic & Social Impact Report for the 2017/18 year at the same web address.

Chief Executive's Statement

In the past year we have continued our commitment to being a responsible housebuilder, operating our business in an ethical and sustainable manner while at the same time delivering high quality homes to address the housing shortage across the UK.

This has been another record year for the company with the number of new Bellway homes sold increasing by 6.9% to 10,307, the first time in our history that we have exceeded the 10,000 homes barrier.

To achieve this growth our direct employee numbers have grown by 10.4% and when we include indirect and induced employment across our sub-contractors and suppliers, we estimate that between 27,000 and 32,000 jobs were supported as a result of our operations.

I would like to extend my thanks to all these individuals who have helped make the past 12 months so successful. Their hard work, dedication and skill has seen Bellway recognised in a number of ways:

- **We retained 5 star homebuilder status from the Home Builder Federation, one of only 2 mainstream national housebuilders to achieve this accolade, demonstrating our commitment to customer service.**
- **For the second year running, 49 of our site managers were recognised in the NHBC Pride in the Job Awards.**
- **Our partnership with Cancer Research UK was recognised at the Business Charity Awards, winning the Charity Partnership Award (Construction & Property).**

We again set ourselves a range of targets to further embed CR into our business, with some notable successes:

- **Increased the percentage of construction compounds fitted with energy saving devices to 100% (2017 - 94%), achieving our target 2 years early.**
- **Continued to focus on waste recycling, improving our waste diversion rate to 98.1% (2017 - 97.8%).**
- **Increased the number of apprentices and graduates within the business by 54% to 142 (2017 - 92).**
- **For the second year in a row, improved our RIDDOR seven-day reportable incident rate to 404.02 incidents per 100,000 site operatives (2017 - 426.36).**
- **Increased our fundraising and donation total for Cancer Research UK to £780,366.**

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.













Jason Honeyman

Chief Executive

bellway4Good@bellway.co.uk

1. VISION

PERFORMANCE AGAINST 2017/18 TARGETS

Environment		
Energy	<p>We will ensure that 100% of our compounds are fitted with energy saving devices by 2020</p> <ul style="list-style-type: none"> By the end of 2017/18, 100% of our compounds were fitted with energy saving devices (2017 - 94%), achieving our target 2 years early 	
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"> 88.6% of our forklift fleet has now been fitted with 55 watt engines (2017: 83.5%) 	
Energy	<p>We will roll-out an energy saving campaign to all divisional offices</p> <ul style="list-style-type: none"> The campaign was successfully launched and during 2018/19 we will monitor office energy usage to determine whether behavioural change has led to any consumption savings 	
Carbon	<p>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</p> <ul style="list-style-type: none"> Carbon data was again collated on a quarterly basis and a detailed analysis is underway to determine the scope for savings 	
Construction		
Construction Waste	<p>We will maintain the proportion of waste diverted from landfill on construction sites at 97% or above</p> <ul style="list-style-type: none"> We continue to improve our diversion rates, achieving 98.1% in 2018 (2017: 97.8%) 	
	<p>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</p> <ul style="list-style-type: none"> Following analysis during the year this metric was updated to tonnes of waste per home under construction to better reflect the impact of 'construction works in progress'. A waste reduction strategy will be implemented in 2018/19 	
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"> Assessments and reviews at the selected site have continued, including interviews and survey with the Architect, LPA, Parish Council and operating division. Surveys and interviews with occupiers will be to be undertaken after the completion of all sales, along with a comparative assessment with another Bellway site, at least one peer group site and a BFL exemplar development. This target is on-track for completion in the coming year 	
Society and Economy		
Customer Engagement	<p>We will deliver high levels of customer satisfaction, aiming to retain our '5 Star Builder' status for the 2018 year and achieving an overall customer satisfaction score of at least 85.7%</p> <ul style="list-style-type: none"> We regained our 5 Star Builder status, with at least 90% of our customers saying they would recommend Bellway to their friends (2017: 5 Star). Our overall customer satisfaction score was 86.0% 	
Health and Safety	<p>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</p> <ul style="list-style-type: none"> All sites received at these safety briefings during the year, assisting in the reduction in our RIDDOR rate to 404.02 (2017: 426.36) 	
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"> The apprenticeship and trainee programmes have been implemented but the graduate scheme was delayed while the Learning & Development Manager reviewed existing activity. A Bellway graduate scheme will be implemented in 2018/19 along with the creation of partnerships & links with key schools, colleges and universities 	
Charitable Giving	<p>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</p> <ul style="list-style-type: none"> In 2018 we successfully raised and donated £394,453 to Cancer Research UK (2017 - £385,913), bringing our 2 year total to £780,366 	
Charitable Giving	<p>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 matching their individual fundraising efforts and introducing a Payroll Giving service across Bellway to enable employees to easily donate to their chosen charitable cause in a tax efficient way</p> <ul style="list-style-type: none"> Employee fundraising for charities other than Cancer Research was £72,643 (2017 - £44,254) and across all charities reached £272,096 (2017 - £229,046) Within this total, the introduction of Payroll Giving allowed £25,787 to be donated to charities 	

1. VISION

2018/19 TARGETS

Environment	
Energy	We will ensure that 100% of our compounds continue to be fitted with energy saving devices
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 implement PIRs in all new show home lighting to reduce energy usage
Carbon	We will investigate opportunities for a carbon reduction strategy and assess and implement a range of energy reduction initiatives across the business
Office Waste	We will increase the percentage of waste diverted from landfill at divisional offices where we have responsibility for our waste
Construction	
Construction Waste	We will maintain the proportion of waste diverted from landfill on construction sites at 97.5% or above
Construction Waste	We will reduce the quantity of waste we generate (excl. ground works waste) per home under construction by 2021
Sustainable Construction	We will complete research into 6 sustainable construction methods and products, undertake trials at a division level and implement successful outcomes across the Group by 2021
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 – 2018/19)
Society and Economy	
Customer Engagement	We will deliver high levels of customer satisfaction, aiming to retain our 5 Star Builder status for the 2018/19 year
Health and Safety	We will aim to maintain RIDDOR rates at 2018 level or better
Health and Safety	We will deliver 'Site Tidiness' and 'Working at Height' safety briefings / training at 100% of sites to maintain a safe working environment
Employee Development	We will develop a structured and integrated training programme for site managers that will also consider sustainability issues
Employee Development	We will increase the number of apprentices and graduates we employ, helping to address the industry-wide issue of skills shortages
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 3 year period to at least £1 million

1. VISION

5 YEAR CR DATA	Financial year ended 31st July				
	2014	2015	2016	2017	2018
KPI					
Commercial					
Total number of homes sold	6,851	7,752	8,721	9,644	10,307
Number of plots with detailed planning permission	19,434	21,411	24,879	25,655	26,877
Environment					
Scope 1 emissions ⁽¹⁾ (tCO ₂ e) ⁽²⁾	9,335	10,634	16,362	18,844	19,964
Scope 2 emissions ⁽³⁾ (tCO ₂ e) ⁽²⁾	3,509	4,358	5,972	6,065	5,859
Total Scope 1 and 2 emissions (tCO ₂ e) ⁽²⁾	12,844	14,992	22,334	22,909	25,823
tCO ₂ e ⁽²⁾ per home constructed	1.9	1.9	2.6	2.6	2.5
tCO ₂ e ⁽²⁾ per Bellway employee	6.6	6.9	9.4	9.8	9.2
Number of homes built incorporating renewable and energy saving technology	3,299	3,878	3,351	3,723	3,802
Percentage of site compounds fitted with energy saving devices ⁽⁴⁾	-	51.9%	84.3%	94.0%	100%
Number of active sites with a Biodiversity Plan in place	59	46	48	86	248
Number of homes with rainwater harvesting	988	824	1,183	1,170	645
Number of homes with waste recycling facilities	4,085	4,566	4,303	4,645	2,776
Number of sites with SuDS designed into the scheme	144	140	129	198	230
Number of Trees planted	13,353	23,513	18,003	22,231	21,418
Number of homes with access to a cycle store	2,808	3,327	4,091	4,237	5,307
Number of sites within 500 metres of a transport node	180	139	182	233	254
Construction					
Percentage of homes developed on brownfield sites	74%	74%	62%	59%	53%
Number of homes built to Lifetime Homes Standards	1,901	2,117	2,130	2,009	1,713
Financial contributions under Section 106 Agreements and Community Infrastructure Levy	£43.5m	£79.0m	£147.9m	£118.2m	£79.0m
Percentage of timber from sustainable sources	100%	100%	100%	100%	100%
Waste (tonnes) per unit sold	7.32	8.61	8.52	9.25	9.39
Percentage of waste diverted from landfill	89.3%	92.9%	95.9%	97.8%	98.1%
Society and Economy					
Number of Bellway employees as at 31 July	2,043	2,298	2,387	2,595	2,904
Percentage of females	27%	27%	28%	29%	28%
Employee turnover ⁽⁵⁾	20.8%	19.1%	23.4%	21.2%	21.4%
Number of Site Managers with NVQ Level 6	106	142	206	235	274
Number of apprentices and graduates directly employed by Bellway	44	59	61	92	142
Number of NHBC 'Pride In The Job' awards received	29	33	43	49	49
Number of reportable RIDDOR major injuries per year	24	26	32	37	37
Reportable incident rate per 100,000 employees	447.09	430.75	445.19	426.36	404.02
Number of health and safety prosecutions	1	1	0	0	1
Number of homes sold to Registered Providers	1,042	1,574	1,376	2,073	2,092
Charitable donations	£97,637	£146,010	£210,000	£292,873	£291,945
Employee fundraising ⁽⁴⁾	-	£37,530	£74,704	£229,047	£272,096
Number of units built to Secured by Design principles	3,176	3,575	4,414	3,601	3,676
Home Builders Federation star rating	5	4	4	5	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 (location based)

4. 2015 was the first year of reporting

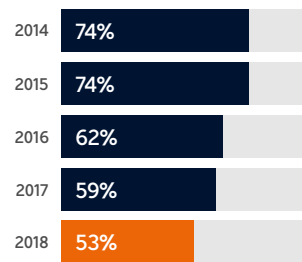
5. Including redundancies

2. ENVIRONMENT

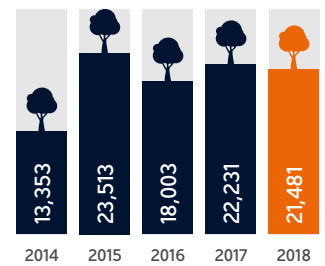
Biodiversity and Ecology

- 248 active sites had some form of a biodiversity plan in place (2017 - 86)
- 230 active sites had Sustainable Drainage Systems (SuDS) designed into the development (2017 - 198)
- Over 21,000 trees were planted across our developments (2017 - 22,231)
- On average 26 trees and shrubs were planted for every home built (2017 - 29)
- 53% of our homes were developed on brownfield sites (2017 - 59%)

Percentage homes developed on brownfield sites



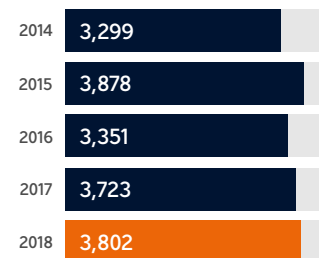
Number of trees planted



Energy

- 100% of compounds were fitted with energy saving devices (2016: 94%)
- By the end of the year 86.6% of all fork lift machines were fitted energy efficient 55kw engines (2017 - 83.5%).
- 3,802 homes incorporated renewable and energy saving technology (2017 - 3,723)
- Our homes constructed achieved an average dwelling emission rate (DER) of 5.0% better than building regulations (2017 - 6.04% better)
- A behavioural energy saving campaign has been launched at all divisional offices

Number of homes with energy saving / renewable technology



PERFORMANCE AGAINST 2016/17 TARGETS

We will ensure that 100% of our compounds are fitted with energy saving devices by 2020

- By the end of 2017/18, 100% of our compounds were fitted with energy saving devices (2017 - 94%), achieving our target 2 years early



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

- 88.6% of our forklift fleet has now been fitted with 55 watt engines (2017: 83.5%)



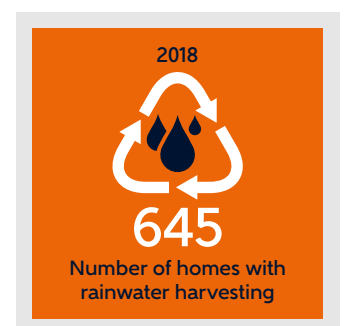
We will roll-out an energy saving campaign to all divisional offices

- The campaign was successfully launched and during 2018/19 we will monitor office energy usage to determine whether behavioural change has led to any consumption savings



Water

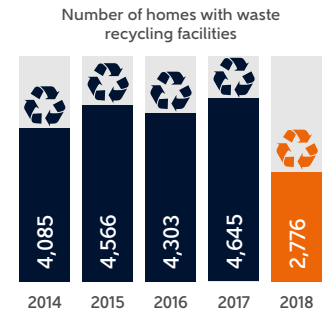
- 645 homes were supplied with garden rainwater harvesting (2017 - 1,170)
- 230 active sites had Sustainable Drainage Systems (SuDS) designed into the development (2017 - 198), accounting for 65% of homes sold



2. ENVIRONMENT

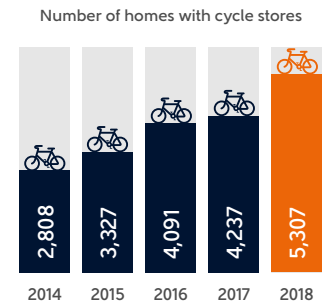
Domestic Waste

- 2,776 homes were constructed with integrated waste recycling facilities (2017 – 4,645)



Transport and Connectivity

- 5,307 homes were built with access to a cycle store (2017 – 4,327)
- 254 development sites were within 500 metres of a transport node (2017 – 233)
- 207 current sites had a car club and/or travel plans in place (2017 – N/A)



Climate Change

- 25,832 tonnes of carbon emissions were produced (2017 – 24,909)
- 2.5 tonnes of carbon emissions per home construction were produced (2017 – 2.6)
- 9.2 tonnes of carbon emissions per Bellway employee were produced (2017 – 9.8)
- 100% of compounds were fitted with energy saving devices (2017 – 94%)
- 3,802 homes incorporated renewable and energy saving technology (2017 – 3,723)
- Homes constructed in the year achieved an average dwelling emission rate (DER) of 5.0% better than building regulations (2017 – 6.0% better)
- A behavioural energy saving campaign has been rolled-out to all 22 regional offices

Greenhouse Gas Emission (tonnes of CO ₂ e) ¹	2018	2017
Scope 1 - Combustion of fuel & operation of facilities (including diesel and petrol used on-site and in company cars on Group business)	19,964	18,444
Scope 2 - Electricity (location based) ²	5,859	6,065
Scope 2 - Electricity (market based) ²	5,166	4,121
Total Emissions (location based) ²	25,823	24,909
EMISSIONS INTENSITY (LOCATION BASED): ²		
tCO ₂ e per Bellway home sold ³	2.5	2.6
tCO ₂ e per Bellway employee ⁴	9.2	9.8

¹ Carbon dioxide equivalent. ² Scope 2 emissions have been reported using the location-based method but we have also provided a market-based method for transparency. 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 3.7% to 25,823 tonnes CO₂e (2017 – 24,909). This has largely been driven by an increase in construction activity, with the number of homes sold increasing by 6.9% to 10,307 (2017 – 9,644). It should be noted that the 2017 GHG Conversion Factors have seen a 15% decrease in the UK electricity CO₂e factor (location based) compared to the previous year. This is due to a significant decrease in coal generation, and an increase in gas and renewables generation, for UK electricity in 2015 (the inventory year on which the 2017 GHG Conversion Factor is based). This has led to our Scope 2 emissions from electricity consumption falling by 3.4% even though usage has risen by 13.2%.

Reporting via business metrics, carbon emissions per home sold have decreased by 3.0% to 2.5 tonnes (2017 – 2.6) and carbon emissions per employee have fallen by 10.4% to 9.2 (2017 – 9.8). Both the 2017 and 2018 emissions have been externally verified by Zeco Energy to a 'reasonable assurance level'.

PERFORMANCE AGAINST 2017/18 TARGET

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

- Carbon data was again collated on a quarterly basis and a detailed analysis is underway to determine the scope for savings



✔ Achieved
 ➔ Progressing
 ⊖ Curtailed early
 ✘ Missed

3. CONSTRUCTION

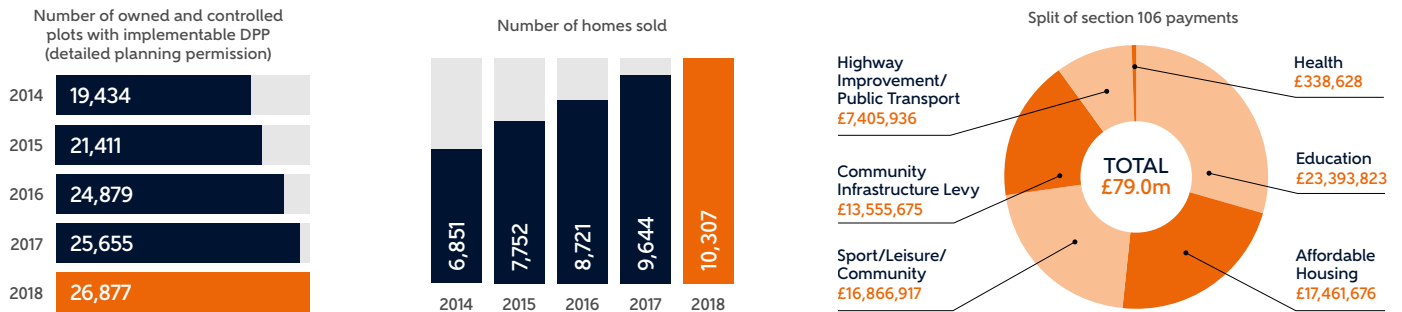
Planning

- 10,307 homes were sold in the year (2017 - 9,644)
- 26,877 plots owned with implementable detailed planning permission in place (2017 - 25,655)
- In total the owned and controlled land bank rose to 41,077 plots (2017 - 37,855), representing 4 years' worth of supply (2017 - 3.9 years)
- 53% of our homes were developed on brownfield sites (2017 - 59%)
- £79.0m was committed in community investment through Section 106 and Community Infrastructure Levy (2017 - £118.2m)

PERFORMANCE AGAINST 2017/18 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

- Assessments and reviews at the selected site have continued, including interviews and survey with the Architect, LPA, Parish Council and operating division. Surveys and interviews with occupiers will be to be undertaken after the completion of all sales, along with a comparative assessment with another Bellway site, at least one peer group site and a BFL exemplar development. This target is on-track for completion in the coming year.



Procurement and Supply Chain Management

- 100% of directly supplied timber came from certified sustainable sources (2017 - 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
- We remain a signatory to the Prompt Payment Code, paying our subcontractors within an average of 23 days

Construction Waste

- Diversion rates continue to improve with 98.1% of waste diverted from landfill (2017 - 97.8%) - rates have risen year-on year from 82.3% in 2012
- The amount of waste sent to landfill fell by 3.7%
- Tonnes of waste per home sold rose to 9.39 (2017 - 9.25)

3. CONSTRUCTION

Waste Performance

Waste Category	13-14 (tonnes)	14-15 (tonnes)	15-16 (tonnes)	16-17 (tonnes)	17-18 (tonnes)
Timber (t)	5,222	5,126	6,923	10,511	11,980
Aggregates (t)	8,624	13,785	16,432	19,188	21,141
Plasterboard (t)	2,596	3,162	3,562	4,110	5,401
Mixed metals (t)	286	304	477	1,322	1,372
Mixed waste (t)	33,303	44,353	46,830	53,771	56,830
Electrical (t)	3	1	1	9	33
Hazardous (t)	123	9	37	164	19
Total (t)	50,157	66,740	74,262	89,075	96,776
Diverted (t)	44,784	62,001	71,226	87,196	94,966
Diverted (%)	89.3%	92.9%	95.9%	97.8%	98.1%
Homes Completed	6,851	7,752	8,721	9,644	10,307
Waste (t) per Completed Home	7.32	8.61	8.52	9.25	9.39

PERFORMANCE AGAINST 2017/18 TARGETS

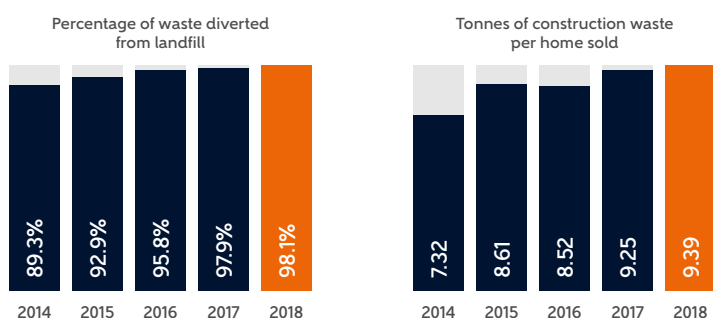
We will maintain the proportion of waste diverted from landfill on construction sites at 97% or above

- We continue to improve our diversion rates, achieving 98.1% in 2018 (2017: 97.8%)



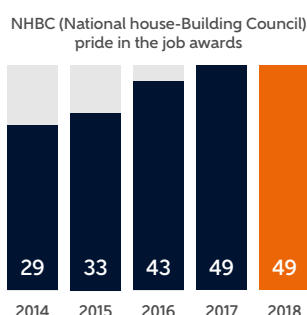
We are committed to reducing the amount of waste we generate and in 2017/18 we will establish a rolling average measurement of tonnes of waste per 1000 sq foot of completed homes with a view to setting a strategy to reduce waste in 2018/19

- Following analysis during the year this metric was updated to 'tonnes of waste per home under construction' to better reflect the impact of 'construction works in progress'. A waste reduction strategy will be implemented in 2018/19



Construction Site Management

- 245 of our site managers hold NVQ Level 6 (or equivalent) qualifications, up 14% (2016: 206)
- For the second year running, 49 of our site managers won National House Building Council (NHBC) Pride in the Job Awards (2017 - 49)
- As part of a drive to deliver quality homes, built to a high standards, our sites achieved an average of 0.19 NHBC Reportable Items per inspection (2017 - 0.18), against an internal target of 0.3 reportable items per inspection.
- 11 Bellway Site Managers won awards at the 2018 NHBC Health and Safety Awards (2017 - 10). Four of these site managers went on to win 'Highly Commended' Awards (2017 - 5), including one who achieved the National Runner-Up Award in the Large Builder Category. This represents 18% of the awards issued across the industry, far above our share of volume output



4. SOCIETY AND ECONOMY

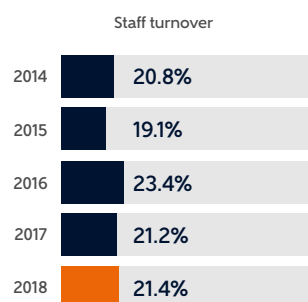
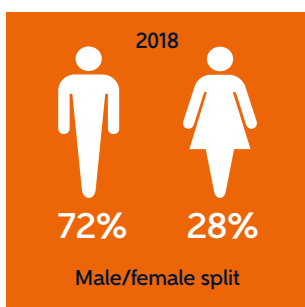
Bellway Employees

- The total number of Bellway employees increased by 11.9% to 2,904 (2017 - 2,595)
- 274 of our site managers hold NVQ Level 6 (or equivalent) qualifications, up 12% (2017 - 245). Now 61% of our site managers hold this level qualification (or equivalent) compared to 48% last year
- We implemented a Trainee Assistant Site Manager Programme to ensure that our trainee assistant managers have the necessary skills to progress
- Training hours increased by 10.5% to 69,688 (2017 - 63,101)
- Training days per employee increased to 4.7 (2017 - 4.2), a 10.7% increase
- 142 apprentices and graduates are employed in the business, a 54% increase (2017 - 92)
- We are members of the 5% Club, recognising our commitment to ensuring that at least 5% of our workforce are employed in graduate and apprentice development roles
- We are a major contributor to the Construction Industry Training Board (CITB) Levy, and The Apprenticeship Levy, contributing £1.6 million to schemes that invests in and supports the training of workers across the construction industry (2017 - £1.2m)
- 49 NHBC 'Pride in the Job Awards' were received (2017 - 49)
- 11 Bellway Site Managers won awards at the 2018 NHBC Health and Safety Awards (2017 - 10). Four of these site managers went on to win 'Highly Commended' Awards (2017 - 5), including one who achieved the National Runner-Up Award in the Large Builder Category. This represents 18% of the awards issued across the industry, far above our share of volume output
- Employee turnover remained broadly static to 21.4% (2017 - 21.2%)
- We estimate that our construction activities support between 27,000 to 32,000 jobs (direct, indirect and induced) through Bellway, sub-contract labour and our supply chain
- We have undertaken a range of health awareness activities in partnership with Cancer Research UK aimed at improving employee's understanding of health and highlighting the changes they can make to reduce their own cancer risk. In the coming year we will be launching an overarching Health & Wellbeing programme with a monthly focus on specific areas of health.

PERFORMANCE AGAINST 2017/18 TARGETS

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

- The apprenticeship and trainee programmes have been implemented but the graduate scheme was delayed while the Learning & Development Manager reviewed existing activity. A Bellway graduate scheme will be implemented in 2018/19 along with the creation of partnerships & links with key schools, colleges and universities



4. SOCIETY AND ECONOMY

Charitable Giving

- A total of £394,453 was raised and donated Cancer Research UK (CRUK - our charity partner), up 2% on last year's total (2017 - £385,913)
- This brings the total raised and donated for CRUK to £780,366 in just 2 years
- Total Bellway charitable donations and fundraising amounted to £564,040 (2017 - £521,920), an 8% increase on last year

Following the success of the first year of our partnership with Cancer Research UK (CRUK), we extended this for a further year, continuing our commitment to 'double match' every pound raised by employees as well as making a donation for each customer feedback survey received. Of the £394,453 total raised and donated in 2018, employees, sub-contractors and suppliers fundraising accounted for £198,953 (2017 - £184,793).

Since the partnership began £780,366 has been raised and donated to CRUK, with £378,746 as a result of fundraising by our employees, sub-contractors and suppliers. The continuing success has seen the partnership extended again with a target to increase fundraising and donations to £1 million by the end of July 2019.

Bellway also matches employee fundraising for other charitable causes and this year employees raised a total of £72,643 for their personal charities, 64% up on the previous year (2017 - £44,254). In addition each Bellway Division also operates its own dedicated budget to support local charities and community groups.

Across all our charitable activity, total donations amounted to £564,040 (2017 - £521,920), of which £272,096 was raised by employees from their colleagues, friends, family and our suppliers (2017 - £229,047).

PERFORMANCE AGAINST 2016/17 TARGETS

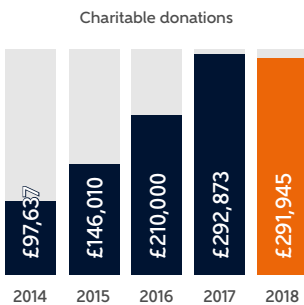
We will extend our partnership with Cancer Research UK for a further year and aim to increase our fundraising and donation total across the 2 year period to at least £600,000

- In 2018 we successfully raised and donated £394,453 to Cancer Research UK (2017 - £385,913), bringing our 2 year total to £780,366



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 matching their individual fundraising efforts and introducing a Payroll Giving service across Bellway to enable employees to easily donate to their chosen charitable cause in a tax efficient way

- Employee fundraising for charities other than Cancer Research was £72,643 (2017 - £44,254) and across all charities reached £272,096 (2017 - £229,046).
- Within this total, the introduction of Payroll Giving allowed £25,787 to be donated to charities



4. SOCIETY AND ECONOMY

Health and Safety

- We have successfully reduced our RIDDOR seven-day reportable incident rate for the second year in a row, down 5.2% to 404.02 incidents per 100,000 site operatives (2017 - 426.36)
- We delivered safety briefings addressing at all development sites, specifically addressing 'traffic management' and 'ladder training' issues
- We achieved an National House Building Council (NHBC) Safety Score of 0.867 (2017 - 0.690), a performance that was around two and a half times better than the industry average of 2.179
- 11 Bellway Site Managers won awards at the 2018 NHBC Health and Safety Awards (2017 - 10). Four of these site managers went on to win 'Highly Commended' Awards (2017 - 5), including one who achieved the National Runner-Up Award in the Large Builder Category. This represents 18% of the awards issued across the industry, far above our share of volume output
- There was one minor prosecution under the health and safety regime during the year relating to an incident in 2015. An operative from a contractor failed to follow site rules and was crouching down in the middle of the site road and was struck by a forklift that was reversing and suffered muscle injury to his back. As a result of the accident a revised traffic management plan was introduced into the site's safety plan to prevent any repeat occurrences by other contractors and operatives.
- We have undertaken a range of health awareness activities in partnership with Cancer Research UK aimed at improving employee's understanding of health and highlighting the changes they can make to reduce their own cancer risk. In the coming year we will be launching an overarching Health & Wellbeing programme with a monthly focus on specific areas of health.

PERFORMANCE AGAINST 2017/18 TARGET

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

- All sites received at these safety briefings during the year, assisting in the reduction in our RIDDOR rate to 404.02 (2017: 426.36)



4. SOCIETY AND ECONOMY

Economic Development

Overall

- We estimated that Bellway's construction activities in 2017/18 contributed £1.2 billion¹ in Gross Value Added (GVA) to the UK's economic output (2017 - £1.1bn)
- £216m contribution to public finances through tax revenues (corporation tax; PAYE; NI) was made to central government as a result of Bellway's activities (2017 - £186m)
- An estimated £61.3m boost was provided to local authority finances through new Bellway homes - council tax receipts and new homes bonus payments (2017 - £59.3m)
- Bellway spent £1.6bn in our supply chain (2017 - £1.4bn), with around £1.4bn remaining in the UK (2017 - £1.25bn)

Finance

- Turnover increased 15.6% to £2,957.7m (2017 - £2,558.6m)
- £121.2m was paid in corporation tax, up 13.8% (2017 - £106.4m)
- £16.2m was paid in Employers National Insurance to government, up 17.2% (2017 - £13.6m)
- £146.3m was paid in salaries to employees, up 13.5% (2017 - £128.9m)

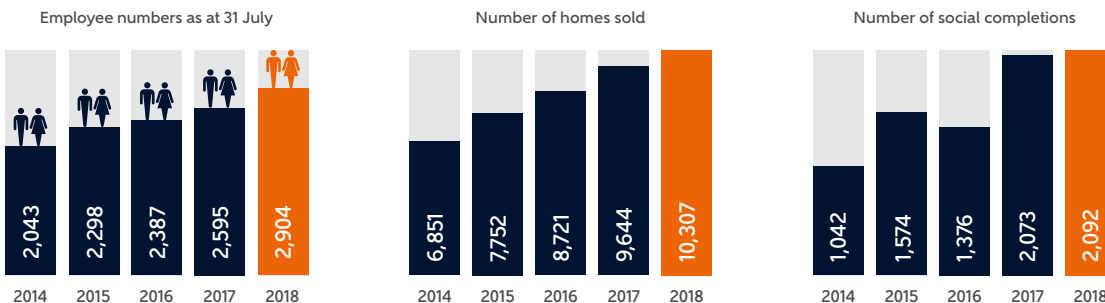
New Homes

- New homes sold increased 6.9% to 10,307 (2016: 9,644)
- There was an estimated £56.3m² boost to the local economy through one-off spend from new Bellway home owners (2017 - £48.2m), followed by an estimated £270m³ ongoing annual local spend by these households (2017 - £231.2m)
- 20% of our homes were delivered to affordable housing providers (2017 - 22%)
- 34% of our homes were sold to first-time buyers (2017 - 32%), helping around 3,500 homeowners get their first foot on the property ladder

Investment

- £79.0m was committed in community investment through Section 106 and Community Infrastructure Levy in the past year (2016: £118.2m)
- We directly employ 2,904 people (2017 - 2,595)
- We estimate that between 27,000 and 32,000⁴ jobs are supported by our construction activities, both directly, indirectly and induced through Bellway, sub-contract labour and our supply chain

1. This figure has been calculated for Bellway by Nathaniel Litchfield & Partners using their 'Evaluate Framework' and is based on an estimated 11,000 direct jobs supported by Bellway in the house building industry
2. Estimated one-off spending on a new home of at least £5,000 - The Economic Footprint of House Building in England and Wales (2018) by Home Builders Federation and Nathaniel Litchfield & Partners
3. Estimated using average UK household weekly expenditure figure of £503 per week (Office of National Statistics Family Spending Survey 2018)
4. Using data/metrics from The Economic Footprint of House Building in England and Wales (2018) by Home Builders Federation and Nathaniel Litchfield & Partners



4. SOCIETY AND ECONOMY

Customer Engagement

- We retained our 5 Star Homebuilder rating from the House Builders Federation (HBF) (2017 - 5 Star), one of only two mainstream national housebuilders to have achieved this accolade. This means that at least nine out of ten of our customers would recommend Bellway to a friend.
- Based on the HBF customer satisfaction survey, we achieved an average overall customer care score of 86.0% (2016: 85.2%)
- 274 of our site managers hold NVQ Level 6 (or equivalent) qualifications, up 12% (2017 - 245) - 61% of our site managers now hold this level qualification (or equivalent) compared to 48% last year
- We again won 49 NHBC 'Pride in the Job Awards' (2017 - 49), recognising our site managers' commitment to customer care
- We formed our Customer Experience Committee to drive improvements to quality and customer care, with initiatives including enhanced quality inspection procedures and improved customer communication

PERFORMANCE AGAINST 2017/18 TARGET

We will deliver high levels of customer satisfaction, aiming to retain our '5 Star Builder' status for the 2018 year and achieving an overall customer satisfaction score of at least 85.7%

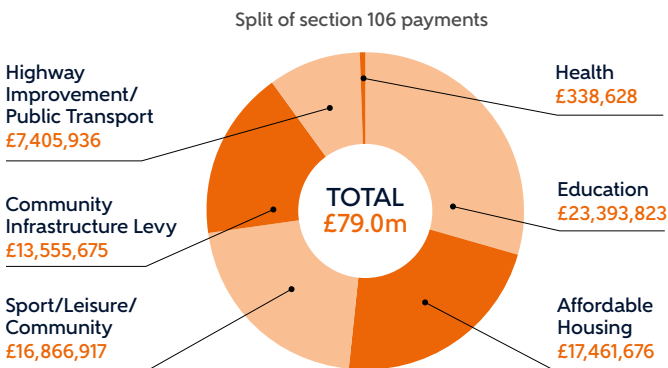
- We regained our 5 Star Builder status, with at least 90% of our customer saying they would recommend Bellway to their friends (2017: 5 Star).
- Our overall customer satisfaction score was 86.0%



Creating Sustainable Communities

- 20% of our homes were delivered to affordable housing providers (2017 - 22%)
- 34% of our homes were sold to first-time buyers (2016: 32%), helping around 3,500 homeowners get their first foot on the property ladder
- £79.0m was committed during the year for community investment through Section 106 and Community Infrastructure Levy (2017 - £118.2m)
- We estimate that between 27,000 and 32,000 jobs are supported by our construction activities, both directly, indirectly and induced through Bellway, sub-contract labour and our supply chain¹

1. Using data/metrics from The Economic Footprint of House Building in England and Wales (2018) by Home Builders Federation and Nathaniel Lichfield & Partners



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