

ENVIRONMENT, SOCIAL & GOVERNANCE REPORT

JUNE 2022

Rydon



FOREWORD

The Rydon Group has consistently delivered socially sustainable commitments, the most significant of which are built environment solutions in the housing and healthcare sectors that support social needs and societal wellbeing. We consistently focus our passion for quality on making a positive difference to the communities we work with.

As we come to terms with changes brought about by the global pandemic, face up to environmental challenges and welcome the opportunities presented by the need for greater diversity and inclusion, our business continues to deliver.

Whether it be ensuring that social housing is maintained to a high standard, delivering efficiencies in hospitals and medical centres, building homes that are better suited to home working and having integrated EV charging points, or delivering on the best opportunities for our people, it is having a positive impact that underpins our target setting when it comes to our environmental, social and governance goals.

How we deliver is important too, especially from an environmental impact point of view. We carefully monitor and manage waste, ensure we are as energy efficient as possible and minimise the impact of our vehicle fleet through emission management tools.

Social sustainability also involves identifying and managing business impact on people. The quality of Rydon's relationships and engagement with its stakeholders is critical to a sustainable business. Directly or indirectly, Rydon affects employees, contractors in the supply chain, customers and local communities, and it is important to Rydon to manage these impacts in a positive way.

Rydon has focused its social sustainability agenda on foundations we believe to be crucial to the sustainability of our industry. This includes Occupational Health & Safety, training and up-skilling our workforce, reducing unemployment rates, community involvement and stakeholder engagement, using sustainable building technologies where we can that are BREEAM (Building Research Establishment Environmental

Assessment Method) compliant and being considerate constructors.

This, our first Environmental, Social & Governance (ESG) report, provides more detail on all the activities outlined above. As we move forward, against a backdrop of industry and wider global challenges, the report offers a view into what we are doing in relation to ESG. We look forward to feedback from all our stakeholders as we continue our journey.



HOW OUR ESG STRATEGY IS EMBEDDED IN OUR ORGANIZATIONAL DNA

Our values and ethics, based on a respect for individuals and for the environment, have long been part of our culture. Our ESG strategy sets out a wide range of initiatives to ensure our continuous commitment to socially sustainable development. Setting out these initiatives ensures that we can measure and report our performance with confidence and look for ways we can continue to improve.

OUR VALUES

As a **PROFESSIONAL** company, we focus on the ability to carry out all activities in a safe, honest, professional and ethical manner, making sound, insightful operational and strategic decisions to ensure we deliver quality products and services.

Through **TEAMWORK**, we take pride and satisfaction in the work that we do. Utilising a rich bank of knowledge and years of proven experience, that can be counted on to provide the best advice

and solutions whilst remaining true to our values and never compromising on health and safety.

With our **PEOPLE FOCUS**, we aim to make everyone we work with feel part of the same team, from employee to client or tenant. We work in partnership with others and share a culture of success and strive for personal growth and development.

With **INTEGRITY**, we are aware of our impact on others as well as conscious of our use of resources. We value openness and listen carefully to understand the views of others. We promote diversity and actively work to minimise any harm caused to our surroundings.

We have identified three key ESG themes which are of particular importance across all our activities:

- **Environmental Impact Reduction**
- **People and Communities**
- **Good Governance**



ENVIRONMENTAL IMPACT REDUCTION

Rydon strives to make a positive contribution to the world we live and work in. We continually focus on the reduction of waste, energy, and carbon emissions through our operations relating to buildings, transport and industrial processes.

Rydon holds the Environmental Management System accreditation ISO 14001:2015 which ensures we minimise how our operations impact the environment, comply with applicable laws, regulations, and other environmentally oriented requirements. In doing so, Rydon takes steps to consider risks, evaluate operations and scrutinise the sustainability of our supply chain. We ensure products and services selected are responsibly sourced and have minimal impact.

Rydon aims to reduce environmental impact, to protect the environment and improve environmental performance. Good environmental management reduces the risk of regulatory fines and often identifies opportunities to save money.



We assess the impact of our design and activity on environmental matters and perform beyond minimum environmental requirements, both from the perspective of the direct impact on the site and its surroundings, and the long-term impact on natural resources and the environments we create.

We set internal targets to reduce the carbon footprint of our operations (focusing on measuring and reducing electricity use, waste and our fleet's CO2 emissions) by promoting a culture of energy conservation, incorporating the

most carbon efficient materials and the best technological innovations within the financial and practical constraints of each project.

CASE STUDY - Design impact on the environment

KENT MEDICAL CAMPUS

Set over four floors, the 37,000ft² Kent Medical Campus building design focuses on creating a positive work culture that inspires pride, energy, creativity and collaboration. The double height atrium reception, roof top terrace, kitchen and catering supplies on every floor, and multiple break-out areas are just some of the features.

Environmental impact was a key focus during construction of the campus. Rydon reported that 98% of waste was reused or recycled offsite and applied Building Research Establishment Environmental Assessment Method processes, which ensures best practice for the environmental performance of buildings.

The building has strong green credentials including a living wall which comprises more than 10,000 plants which bloom all year round, attracting bees and butterflies, it has solar panels fitted on the roof providing cleaner, more efficient energy and has charging pods for eight cars with capacity for more in the future.



FLEET MANAGEMENT SYSTEM

Rydon uses a fleet management solution designed to improve the safety and efficiency of drivers.

Proven to improve fuel consumption by up to 15% and to reduce accidents by up to 40%, the system is endorsed by all major fleet insurers and provides continuous coaching while drivers are behind the wheel to manage speed, braking and be more aware of traffic situations.

Our fleet vehicles also meet Euro Class 6 emission standards and we plan to phase out diesel vehicles for electric vehicle replacements in the next two years.



WASTE MANAGEMENT DISPOSAL MANAGEMENT

Rydon deploys a three faceted approach to waste management which combines employee awareness and training, collaborating with suppliers and ensuring or waste output is re-used or recycled as much as possible:

Improve employee awareness of the duty of care requirements through waste management spot checks.

Work with our suppliers to reduce waste and increase recycling.

Divert at least 96.5% of construction and demolition waste from landfill through re-use and recycling.

All Rydon development projects are planned and executed using site waste management plans (SWMP). Material re-use, recycling and recovery is maximised where reasonably practicable with all our projects targeting 96.5% recycling rates or above. Every operative on site, including subcontractors, are given training on the SWMP to ensure that the waste procedures and targets in the plan are adhered to and that all personnel are aware of their duty of care and responsibilities.

Products and services selected are economically viable with the lowest negative environmental impact. All timber and timber products are sourced from legally logged and sustainable sources – FSA, and PEFC, with full chain of custody certification. Our suppliers only supply materials where they are needed, and take-back schemes have been arranged with our principle suppliers to ensure that materials are re-used and packaging is recycled where possible.

PEOPLE AND COMMUNITIES

PEOPLE

We strive to keep our employees motivated and retain them with competitive remuneration and welfare. Our average voluntary attrition rate is 15%. Our employment policy does not tolerate any forms of discrimination and harassment, while recruitment processes are undertaken with impartiality. Competition for young talent is stiff. We continue to attract them through recruitment talks and internship programmes, enabling us to promote job openings and meet highly qualified personnel from diverse academic backgrounds.

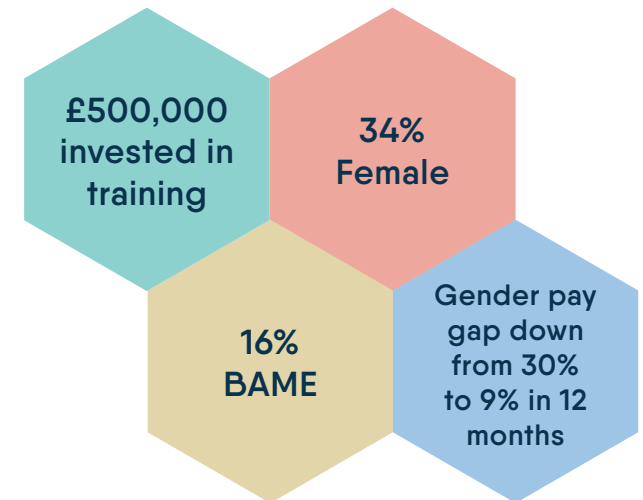
We employ 405 employees. Diversity is integral to our organisation, which brings together a group of people from many different backgrounds, nationalities and culture with a wide-ranging set of skills and experiences.

We recognise the value of, and encourage the recruitment of, a diverse workforce. Wherever reasonably possible we aim to ensure that the workforce

reflects the community in which we work. We positively support equality and diversity within the workplace and will take all reasonable steps to reduce the possibility of discrimination taking place.

Rydon cultivates an open environment where employees are encouraged to participate in decision making at all levels. This empowers our people to bring their own unique perspective and to improve the quality of the discussions and decision making which, in turn, delivers on wider strategy by making our business more robust and sustainable.

In terms of gender and diversity, 34% of our employee population is female and 16% of our employees are from a BAME background. We are especially proud of endeavours to reduce pay disparity between our male and female employees and pleased to report a significant reduction in our Gender Pay Gap from 30% to 9% in the last 12 months. We also recognise that we need to improve the balance in terms of female employees and those from minority groups.



We maintain and expand our apprenticeship, training, work experience and employment opportunities for people in and around the communities in which we work and we set internal targets to ensure that we continue to train and develop our own people. We have invested around £500,000 in employee learning and development (in the last five years). Employees on average attend four days training per annum. We are currently sponsoring 20 employees through vocational, professional qualifications and degree studies. Our employees have access to a learning management system, that includes over 500 titles, and the total employee base has completed 1000 e-learning modules in the last 12 months.



Rydon Group is also a member of the 5% Club, a dynamic movement of employer-members working to create a shared prosperity

across the UK by driving 'earn and learn' skills training opportunities.

Members strive to achieve 5% of their workforce in 'earn and learn' positions (including apprentices, sponsored students and graduates on formalised training schemes) within five years of joining. We have sustained a 5% target of employees supported through learning. Our Early Careers programme has recruited 12 graduates during the last 12 months, and we have developed a healthy pipeline of apprenticeships across the organisation (with 15 currently in place).

Our commitment to employee wellbeing is supported by Mental Health Ambassador training and we supported 25 well-being activities in 2021. We have 20 Mental Health First Aiders and 40 First Aiders. A digital GP is available to all employees through our health insurance scheme and all employees have access to a confidential counselling service.



Rydon is a supporter of Mates in Mind, a charity committed to raising awareness of, and addressing the stigma of, poor mental health within

the industry. Rydon is striving to promote a culture of positive wellbeing and Mates in Mind support this by providing organisations with a training framework to build understanding, knowledge and confidence in tackling mental health throughout the workforce.

COMMUNITIES

In the last 12 months, Rydon employees participated in 12 charity activities through individual endeavours and devoted hundreds of volunteering hours.

We actively encourage employees to take part in voluntary activities that benefit charities and community organisations close to where we live and work. To help support this, every Rydon employee is offered one fully paid day each year to volunteer.

We maintain and expand our existing relationships with schools and colleges to engage with them and their young people

and to introduce them to the industry and the potential careers in all aspects of the built environment.

At every opportunity we involve local tradespeople, suppliers and other potential business partners in the development process in order to bring work and income into the areas in which we operate.

Rydon has a long track record of forming close bonds in the communities where we work through our dedicated Resident Liaison team. Our specialist Resident Liaison team acts as the interface between members of the community and Rydon, ensuring mutual understanding and respect for each party's needs and interests.



Recognising that residents and the local community should play an instrumental role in any project, we welcome information, local knowledge, support and feedback throughout the preparation and development stages. At Rydon's site offices, our resident liaison officers operate an open door approach and encourage residents to provide feedback, both positive and negative, and to indicate their levels of satisfaction in respect of site staff and subcontractors.

Many of our sites are also affiliated with the Considerate Constructors Scheme, an independent body which regularly monitors our site activities. We set internal targets to achieve average scores that are significantly above industry average, thereby absolutely ensuring minimal disruption to residents and neighbours during our developments.



We maintain our long-standing support to Crash, the construction industry's charity that helps homelessness and hospice organisations with their construction

projects – creating places that care for people when they're at their most vulnerable.

CUSTOMERS

Rydon prides itself in delivering a good customer experience, ensuring that we meet the expectations of the communities we serve. For our Maintenance business, we have rigorous services level agreements across our various housing and healthcare contracts to ensure we meet a number of targets from answering phones within a certain time at our call centre through to making sure we stick to schedules for repairs and deliver a clean and tidy job.

In Rydon Homes, our brand is known for delivering a great customer experience as well as quality product.

CASE STUDY



In-house Research, the specialist research and consultancy business focusing on the new build and construction industry, has awarded Rydon Homes with its 2022 Gold Award for customer satisfaction.

The Gold Award is given to housebuilders who achieve a recommendation score of 90% or

above for a full survey year. The assessment is based on the responses of new homeowners when asked if they would recommend their builder to another homebuyer. Rydon Homes achieved a top score of 100%.

The participants of the survey included homebuyers who completed handover during 2021 from developments at Denmans Vale, Marchants Lea and Waters Reach. Their testimonials commonly spoke about the high-quality build and excellent customer service of Rydon Homes, including this feedback from a new homeowner at Denmans Vale: "If they want a new home that's a quality build and spacious, and they want to deal with people who are professional and do what they say they're going to do, then I would definitely recommend them".

Rydon Homes has won the Gold Award a number of times through its commitment to creating high-quality new homes and delivering an excellent customer experience through the entire sales and post-sales process.

GOOD GOVERNANCE

MODERN SLAVERY

Rydon is committed to acting ethically and with integrity and transparency in all business dealing and to putting effective systems and controls in place to safeguard against any form of modern slavery taking place within the business or our supply chain.

Rydon has a zero-tolerance approach to any form of modern slavery. More information can be found here: [Feb-2021-Modern-Slavery-Act-Policy.pdf](#) (rydon.co.uk).

HEALTH & SAFETY IN THE WORKPLACE

The health and safety of our employees, subcontractors, clients and the people living in the communities in which we work is paramount to Rydon. We strive to minimise the risks that all those affected by our work are exposed to. Safety management is integral to all our working practices.

We are committed to ensuring full compliance with our legal obligations and all current Health and Safety legislation in

respect to our business activities.

To comply with our legal obligations, we have developed processes and procedures that are contained within our management systems. These procedures and processes comply with the requirements of BS OHSAS 18001:2007 and compliance with these procedures is mandatory for all.

It is our intention to target the elimination of all Health & Safety incidents resulting from our actions, and we recognise that adopting a policy of zero tolerance is essential if we are to achieve this. Our Health and Safety performance is constantly monitored and reviewed with the aim to continually improve. We will achieve this by training and working together, through our individual and collective responsibilities to:

- **Work safely**
- **Report all unsafe acts, near misses and incidents**
- **Follow instruction**
- **Contribute suggestions or advice that will help everyone to work safely towards our zero tolerance goals**

By embracing these principles in all that we do, we aim to promote a safer and healthier culture at Rydon, and improve the behaviour of everyone who works with Rydon, either directly or through our valued supply chain.

The background is a solid teal color. In the corners, there are clusters of 3D isometric cubes. The top-right cluster includes cubes in shades of grey, red, and yellow. The bottom-left cluster includes cubes in shades of yellow, blue, and grey. The bottom-right cluster includes cubes in shades of grey and white.

Rydon

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