



a better place*

millershomes

Building a better place together

For Miller Homes, being sustainable means safeguarding the long term future of the world around us by preserving the physical environment, creating communities that flourish and building homes for generations to come.

By doing this and helping our customers, employees and partners in their efforts to be more sustainable too we are aiming to make where we live and where we work 'A Better Place'.

We recognise the need to tackle the social and environmental issues facing our business but our strategy and approach means we see this as a better way of doing business.

Our sustainability strategy is called 'A Better Place' and defines our vision for becoming a more sustainable business. It was developed following a fundamental review of the needs and concerns of a wide range of our stakeholders and focuses on the key issues identified during that process, but with an emphasis on those with greatest importance to the group. These are: Product, Processes, People and Partners. We set objectives against short, medium and long term targets which are measured against a set of key performance indicators reported upon annually.

Product

Housebuilding uses natural resources so we look at ways of doing this responsibly to minimise the impact and deliver sustainable homes. We have continued with our commitment to build on brownfield land and last year 64% of our developments were on previously built sites.

We use Building Information Modelling (BIM) for the design of all our standard house types. This is a collaborative approach which improves efficiency in the design and build process, it reduces waste and 3D modelling allows us to better assess how the home layout will function once built.



▲ **Employee development**
We provide opportunities for our employees to enhance their skills and knowledge through training, development and continuous improvement.

▶ **Summer of Sport**
Greencroft Netball Club in County Durham was one of the winners of our Summer of Sport campaign, designed to help promote health and wellbeing in the community.



All of our homes are fitted with Smart meters and water saving devices and in the last two years we have seen a 13% drop in the designed water consumption in our homes. In 2014, we invited 913 of our new customers to provide feedback on their experience of living in a Miller home. 73% of respondents said there was nothing more we could have done to improve their living experience.

In 2014 we retained our HBF 5 star rating for customer satisfaction. This is an endorsement of our aim to combine high quality, sustainable homes with excellent customer service.

Processes

Energy, water, waste, biodiversity, flood risk, pollution and climate change must be managed and mitigated through the process of building homes and we have chosen to follow and have met the standards required of the externally accredited ISO 14001 Environmental Management System which emphasises excellence over compliance.

As an example, we further developed our approach to waste management and each site is individually committed to waste stream segregation. We work with our supply chain to drive improvements, and during the year we recycled almost 17,000 pallets, equating to 450 tonnes of timber. In 2014, 93% of all our construction waste was diverted away from landfill and we achieved a 7% reduction in the

overall quantity of construction waste for each home built. For the third year in a row, all our timber construction materials have been sourced sustainably.

Effective management of energy use is important to both our business and to our customers. We worked with E.on during the year to improve energy use and its cost impact during construction and, as a result, new measures will be introduced in 2015.

In 2014 we launched specific websites for the communities where we are making planning applications. These provide site specific information and a portal to enable contact and communication. We recognise that we need to engage with the community with early contact and cooperation assisting the planning process.

Engagement with the community continues when we are on site and we operate a scheme called Miller Respect which provides a call centre facility to allow the community and our customers to make us aware of any concern they might have in relation to our development activities. This underpins our commitment to safety, health and environment matters. In 2014, 74% of calls received were responded to in 24 hours against a target of 70%.

Performance analysis – Product

2014	Measure	2013	Progress
71%	% of customers who believe Miller Homes is addressing sustainability issues appropriately	58%	↑
95%	proportion of customers who would recommend Miller Homes to their best friend	97%	↓
64%	Net Promoter Rating ¹	63%	↑
5-Star	we achieved the highest rating for customer satisfaction in the Home Builders Federation (HBF) national survey	5-Star	—
1:3	ratio of NHBC Pride in the Job Quality Awards to the number of live outlets	1:3	—
64%	% of units sold built on previously used brownfield land	76%	↓
96%	% of developments within 500m of a public transport node	96%	—
44%	% of development sites with cycle storage provided to some/all units	43%	↑
9%	% of developments using renewable energy technology	8%	↑
68%	% of sites with sustainable drainage systems (SuDS)	73%	↓
100%	% of homes sold fitted with Smart gas and electricity meters	100%	—

1. Net Promoter scores range from -100 to +100 and are a measure of the extent to which customers would be willing to recommend Miller Homes. They are calculated by subtracting the number of Detractors, i.e. those scoring 1 to 6 (on a 1-10 scale) from the number of Promoters (those scoring 9 or 10).

Performance analysis – Processes

2014	Measure	2013	Progress
17,981	tonnes of construction waste diverted from landfill	17,032	↑
93%	proportion of construction waste recycled or reused	94%	↓
9.2	tonnes of construction waste per equivalent build unit	9.8	↑
306	quantity of site preparation waste generated ('000t)	381	↑
1,589	Miller Homes' electricity consumption per equivalent build unit (kWh)	1,630	↑
2.2	GHG Scope 1 & 2 carbon emissions per equivalent build unit (tCO ₂) ¹	2.4	↑
56%	proportion of sites using an ecology specialist to identify biodiversity issues and mitigation actions (%)	52%	↑
33.6	Miller Homes' water consumption per equivalent build unit (m ³)	41.6	↑
33.9	average score from sites participating in the Considerate Constructors Scheme	35.3	↓
583	litres of diesel used on Miller Homes sites ('000ltr)	721	↑

1. Greenhouse Gas (GHG) emissions are widely accounted for using the guidance defined by the Greenhouse Gas Protocol. This protocol categorises carbon emissions into three types.



Corporate responsibility continued

People

Our success is based on our highly skilled and dedicated employees. The group has achieved Investors in People Gold Award for its commitment to providing opportunities for our staff for personal growth through training, development and continuous improvement.

Health and safety is of paramount importance and the culture of health and safety is extended throughout our business; on site, in the office, with sub-contractors and employees. We have an ongoing training programme for health and safety matters which was successfully extended to sub-contractors throughout 2014 with positive engagement and feedback. We remain accredited under the independently audited OHSAS 18001 which is a health and safety management system.

Our reportable incident rate has significantly reduced over the last four years which reflects the culture of safety embedded in the business. In 2014 we saw a 19% fall in our reportable incident rate from 350 to 282 per 100,000 employees. This is our best performance on record.

We promote excellence in health and safety and recognise ingenuity and innovation on site through an internal award scheme for site managers. In addition, as an endorsement of the quality of our staff, 20 site managers were given prestigious NHBC Pride in the Job Awards in 2014; one award for every three sites we build and the highest ratio for any large category housebuilder.

A wide range of well-being initiatives are available to all employees including a Ride2Work scheme. 28% of employees participated in the private healthcare programme and one in three employees undertook mobile health screening assessments.

Performance analysis – People

2014	Measure	2013	Progress
282	number of reportable incidents per 100,000 employees (including sub-contractors)	350	↑
703	total number of employees	668	↑
32%	% of female employees	33%	↓
14%	females as % of managers & directors	15%	↓
99%	% of eligible employees with performance development review during the year	98%	↑
2.4	average number of training days provided per employee	2.4	—
19%	employee turnover rate	19%	—
111	average vehicle CO ₂ emissions from approved fleet list	113	↑



▲ Welcoming wildlife
Children from Sarisbury Green pre-school in Fareham, Hampshire enjoyed taking part in our Welcoming Wildlife campaign, organised in conjunction with the RSPB.



▲ Sustainable living
96% of our developments are within 500m of a public transport node.

Partners

We work in partnership with our suppliers, sub-contractors, local authorities and consultants to build long term working relationships. The group has a longstanding commitment to sustainable sourcing and in 2014 introduced a new supplier code of conduct, 'Working Together'. This raises the bar in terms of what we expect from suppliers and allows us to drive change. Furthermore, it allows us to recognise those companies that are able to adopt our ethos and practice a better way of doing business.

Due to our relationship with national suppliers we were able to manage availability issues of key materials, particularly bricks and blocks, ensuring uninterrupted supply throughout 2014.

We recognise the importance of working with local companies and the increase in homebuilding activity has seen a 17% rise in the number of sub-contractors working on our sites. We ask all our sub-contractors to

commit to being certificated under the SMAS Worksafe scheme and the average level of compliance during 2014 was 90.8%.

In 2014 the group became a signatory to the Prompt Payment Code where we are committed to paying our suppliers on time, promptly and dealing fairly with any disputes. In the second half of 2014 we engaged with our divisional supply chain to understand how easy it was for them to conduct business with the group. In terms of overall satisfaction, nine out of 10 suppliers expressed high levels of satisfaction with us.

We fund a broad range of local authority services and facilities through contributions under planning agreements with local authorities. These fund affordable homes, education, transport and other community initiatives and amounted to £9.1m in 2014.

Performance analysis – Partners

2014	Measure	2013	Progress
16,767	number of pallets recycled and reused through the Scott Pallets recovery system	7,362	↑
1,788	the number of local sub-contractors we have working on our live developments	1,528	↑
73	the number of tier 1 suppliers with whom we have formal national supply agreement	65	↑
45	number of suppliers assessed under the Miller Homes Supplier Code of Conduct	NM ¹	↑
100%	proportion of timber construction materials sustainably sourced	100%	—
94%	% of employees (including sub-contractors) with CSCS cards	93%	↑
91%	% of sub-contractors SMAS Worksafe certified	93%	↓

1. NM; KPI not measured in 2013 and not possible therefore to provide a performance progress indicator for this measure.



▲ Charity champions

Employees in our North Division raised £33,174 in just seven months for Martin House Children's Hospice in Boston Spa, Wetherby.