



STRIKING THE BALANCE BETWEEN ECONOMIC, SOCIAL AND ENVIRONMENTAL RESPONSIBILITIES

**Corporate Responsibility Report 2006**

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## SCOPE

This is Crest Nicholson's fifth corporate responsibility report recording key social and environmental performance indicators for the financial year 1st November 2005 to 31st October 2006. The report provides information on sustainable development policy, management systems and performance across all regions and all departments from land buying and build to the sale of homes.

## REPORT FORMAT

The content of this report aims to communicate how Crest Nicholson engages with all of its stakeholders and how it performs in relation to environmental, community and marketplace impacts. Social and environmental performance can be compared with previous Crest Nicholson reports and with some companies within the development sector. Additional information on the Company's Sustainable Development policy, management systems and annual performance reporting can be found on the website [www.crestnicholson.com](http://www.crestnicholson.com) under 'Sustainable Development'.

## DATA

Crest Nicholson's Committee for Social Responsibility has reviewed and approved this report following verification by an independent external consultant. Where sector or national benchmarks are not available, performance is compared with previous years' measurements. To this end, data from the 2006 Annual Report is used where relevant. In some cases financial data has been used to estimate environmental performance, using conversion factors. In such cases the measurements are noted as estimates.

“CREST NICHOLSON IS A RESIDENTIAL AND MIXED-USE DEVELOPMENT COMPANY WITH EMPHASIS ON CREATING SUSTAINABLE COMMUNITIES”

Executive summary

SUSTAINABLE DEVELOPMENT POLICY, RISK CONTROL AND MANAGEMENT SYSTEMS

Crest Nicholson continued to maintain its progressive strategy as a volume house builder championing the cause of well designed sustainable communities by building its first affordable and climate-change proofed homes using modern methods of construction. This has strengthened the Company’s commitment to corporate social responsibility, increasing shareholder value and market differentiation. A selection of our best achievements across the Group is shown below.

2006 ACHIEVEMENTS

Stakeholders:	Criteria	Improvement from previous year
Community	Highest percentage of social housing	31% of homes (19% 2005)
Employees	Number of days absence	29% reduction
	Average hours of training	25% increase
	Office and car fleet CO <sub>2</sub> emissions	16% reduction
All	Stakeholder responses to report 2005	27% increase
Planning:		
	Zero / near zero carbon communities	2 developments (455 units)*
	High performance MMC EcoHomes	3 developments (413 units)**
	Renewable energy	10 developments ***

\* Brighton and West Molesey

\*\* Newport Pagnell, Mitcham and Maidstone

\*\*\* Brighton, West Molesey, Mitcham, Street, Milton Keynes, Osterley, Bath, Crawley, Swindon, Hardwicke

Design & build:

EcoHomes	Highest percentage of EcoHomes certified	37% of production
Energy	Maximum insulation above BR* Part L 2002	44% maximum improvement**
Emissions	Lowest site carbon dioxide emission	22 kg CO <sub>2</sub> / m <sup>2</sup> / year**
Water	Lowest site water usage achieved	35 m <sup>3</sup> / bed space / year**

\* Building Regulation \*\* Data from independent EcoHome certification (representing 37% of homes)

Marketplace

Homes	Record number of homes built	2,946 completions (forecast 5,000 completions, 2010)
Contractor	Fourth consecutive skip waste reduction	16.4 m <sup>3</sup> / home unit
Energy supply	First carbon offset data (tree planting)	4,884 trees
Suppliers	First plasterboard take-back data	947 / m <sup>3</sup> recycled



Stephen Stone Chief Executive Officer

## ONE PLANET LIVING

A further two development sites were progressed through the planning process in partnership with BioRegional Quintain based on the zero carbon principles known as 'One Planet Living'. These developments include: reduced energy demand; alternative forms of transport to the car; increased water efficiency and waste recycling; the use of sustainable construction materials; enhanced biodiversity; diverse tenures; a strong local community; seasonal food production; and a sense of place.

Buildings specified to reduce energy demands and achieve high levels of thermal efficiency. Zero carbon strategy includes on-site renewable energy generation.

Recycling and composting made easy through the provision of on-site segregation and composting facilities. Ongoing support and guidance provided to occupants.

Access to local services and public transport, providing a car club and facilities for cyclists, provision of ongoing information and support making it easy to live without a car.

Development constructed using materials which offer high performance in use, but with reduced impacts in sourcing, manufacturing and transportation.

Opportunities for on-site food growing within a tight urban site through innovative building design, with facilities and initiatives to encourage the consumption of local and seasonal produce.

Water consumption reduced through the specification of efficient fittings and appliances. Rainwater harvested and used for irrigation and for WCs in community facility.

Building design and landscaping strategy to promote biodiversity through the selection of planting, building finishes and habitat creation.

Community trust and community extranet to be established, and Green Caretaker employed to support the ongoing sustainable management of the development. Sense of community and identity engendered.

Mixed-use community offering private and affordable homes, including a proportion of eco-studios to address the challenge of providing intermediate affordable private homes to the local market.

High levels of indoor air quality whilst optimising energy use. To provide access to outdoor space in an urban location. Ongoing sustainable management supported by commitment to monitor performance.



An impression of New England Quarter, Brighton – the zero carbon development based on the ten principles of 'One Planet Living'

PARTNERING FOR ENERGY EFFICIENCY

The start of production of high energy-efficient homes was achieved with a consortium of innovative partners, including Kingspan, Sheppard Robson, Arup and Davis Langdon. Following the establishment of a new range of private and social housing in Newport Pagnell, Crest Nicholson was awarded a further two development sites by English Partnerships. This has enabled Crest Nicholson to establish more sustainable homes in Surrey and Kent and both were included in the Office of the Deputy Prime Minister's 'Design for Manufacture' competition.

INNOVATION, OPPORTUNITIES AND RISKS

New procedures were established to encourage the spread of innovation across the Company. These include the use of sustainable development and renewable energy checklists. In this way, Crest Nicholson continued to respond to global environmental pressures, improved the quality of its homes and helped meet the

demand for affordable homes. Crest Nicholson communicated internal technical briefs to its employees on changing environmental legislation and established control measures to cope with potential risks and opportunities in planning, design, build and marketing activities. Resulting procedures included:

- A climate change planning check-list and a renewable energy selection guide
- A waste management policy poster for construction waste segregation and recycling
- An emergency preparedness and spill-response poster for build sites
- A survey of customer comfort levels relating to EcoHomes criteria.

In order to meet the challenges of climate change and the demand for affordable homes, a 'step change' was taken. Crest Nicholson, customers, local communities and the environment all benefited from the use of the 'whole house' solution at Renny Lodge, Newport Pagnell, involving precision factory-built, affordable homes. The 'whole house' solution led to improvements that included:



A demonstration model of the new range of energy-efficient homes

- Increased panel system air-tightness and the use of embedded solid insulation
- Significantly increased energy efficiency and reduced energy demand
- Viability for local renewable energy generation and reduced 'greenhouse' gas emissions
- Insulation and bonding materials with zero ozone-depleting substances
- Panel timber with 100% chain-of-custody certification and 60% recycled content
- Reduced on-site construction time and waste due to precision off-site factory manufacture
- Adding thermal mass for summer cooling and comfort levels
- A mechanical air ventilation system for fresh air circulation and heat exchange
- A central light lantern feature for increased natural daylight and solar gain or shading.

Additional social and environmental specifications for the new range of homes helped launch Crest Nicholson's 'Homes for Life' range. These embrace the principles of 'Lifetime Homes' and 'Secured by Design': flexible living spaces and for increased security.



# Financial sustainability

## GROUP PRE-TAX PROFIT

Key Performance Indicators	2003 UK GAAP	2004 UK GAAP	2005 IFRS	2006 IFRS
Pre-tax profit £m	£74.6m	£82.1m	£78.9m*	<b>80.1m</b>

\* Re-stated following change of accounting policy and adoption of IFRS.

## SHAREHOLDERS

Financial sustainability was once again facilitated by effective economic, social and environmental policy supporting land acquisition, planning consents, higher design standards and market differentiation. Crest Nicholson's total forward sales at the end of the financial year reached a record £400m. The Company aims to increase both open market and affordable home completions by 15% in 2007, thereby adding to shareholder value.



Crest Nicholson maintained its sustainable development policy and management system as documented on its web site within the 'Sustainable Development' section and previous reports from financial year 2002 onwards. Based on this information, it also met the criteria for membership of the FTSE4 Good index series [www.ftse.com/Indices/FTSE4Good\\_Index\\_Series/index.jsp](http://www.ftse.com/Indices/FTSE4Good_Index_Series/index.jsp) for the fourth consecutive year.

## CARBON DISCLOSURE PROJECT

Crest Nicholson communicated its climate change strategies for risk control by participating in the 2006 Carbon Disclosure Project [www.cdproject.net/results.asp](http://www.cdproject.net/results.asp). Significant social and environmental issues such as climate change, sustainable homes, waste management, site safety, community security, affordable homes and flexible living were identified as significant aspects in 2006.



Insight Investment (the investment management arm of HBOS), the WWF and the Housing Corporation formed a new partnership to deliver sustainable homes for the 21st century by benchmarking corporate responsibility progress and performance amongst UK house builders. Revised criteria based on proposed changes to legislation and the Code for Sustainable Homes will be adopted in 2007.



Towards the end of 2006 Crest Nicholson prepared to enter the prestigious Queen's Award for Enterprise 2007, in the Sustainable Development category. The Company is now celebrating its award for environmental performance and the measures it has taken, within the last five years, to reduce its carbon footprint by increasing energy efficiency and reducing waste. The Company also received special merit for its community and stakeholder consultation methods and its determination to enhance the sustainability performance of its suppliers by integrating sustainable procurement criteria into tenders.



Crest Nicholson continued its voluntary initiatives with donations of time in kind and subscriptions to charities such as The Variety Club Children's Charity that provides support to sick, disabled and disadvantaged children. Employee and supply chain fund-raising activities generated approximately £70,000, sufficient to fund an important lifeline for underprivileged children.



# Human resources



Crest Nicholson sustainability conference

## PERFORMANCE

Net employment creation showed a 6% negative variance due to continued management restructuring, reducing a higher than average sector overhead. Permanent staff turnover increased by 7% due to management restructuring and so failed to meet its 2006 target. There was an improvement in the average hours of training per employee: an increase of just over 33% met the 2006 target. This was mainly due to increased health and safety, sales and management training.

## GRADUATE RECRUITMENT

Two graduates were recruited for Crest Nicholson Regeneration, one permanent and one for a summer placement. In the Midlands region, two graduates were also employed. Crest Nicholson will consider establishing a Group-wide graduate training plan for students from regional universities with qualifications relating to land buying in the new financial year. Graduates will be given eighteen months to two years' training in departments such as land buying and sales and marketing.

Key Performance Indicators	2003	2004	2005	2006	2006 targets	2007 targets
Number of employees	899	887	860	790	-	-
Net employment creation	5%	5%	0%	-6%	-	-
Permanent staff turnover	21%	21%	17%	24%	17%	20%
Average hours of training/employee	* 15 hrs	15 hrs	15 hrs	20 hrs	20 hrs	25 hrs

- No targets set \* No data

## APPRENTICES

Human Resources facilitated the employment of twelve apprentices through the Construction Industry Training Board certification schemes. Apprentices with sub-contractors in Crest Nicholson's Eastern, Midlands and South West regions were trained for certification. Crest Nicholson aims to increase certification by 100% in 2007.

## STUDENT SPONSORSHIP

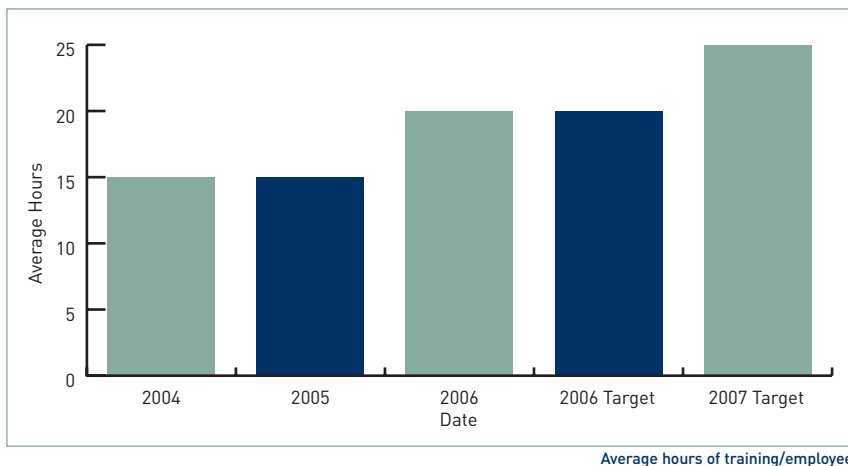
Human resources worked with Nottingham University's School of the Built Environment to sponsor a student to be employed in Crest Nicholson's South Region through the University's Inspire Scholarship. In the new financial year, Human Resources aim to double sponsorships for students to work on placements on low carbon sustainable development projects.

## CONSTRUCTION SKILLS CERTIFICATION SCHEME

Crest Nicholson took the lead amongst developers in the drive to increase qualifications across the building sector through the Construction Skills Certification Scheme. The Group Training Manager worked with all regions and the Construction Industry Training Board towards increasing qualifications.

## INDUCTION AND TRAINING

In the financial year 2007, Crest Nicholson will introduce standardised corporate induction training across the business. This will significantly improve communication for new starters and current staff in understanding management structures, systems and procedures within Crest Nicholson.



### SENIOR MANAGEMENT TRAINING

The management programme with Partners in Management provided feedback from forums that recommended improvements in internal communications. The Board held a series of road shows across all regions at the start of the new financial year to update staff on results, progress and initiatives.

### BUSINESS IMPROVEMENT COMMITTEE

Following approval from the Business Improvement Committee seminars were held with Crest Nicholson Production, Build, Sales and Customer Service Directors to implement new waste segregation and quality management systems.

### EMPLOYMENT LAW FOR MANAGERS

Human Resources plan to facilitate a series of seminars in the financial year 2007 on the essentials of employment law for Directors and Managers. Managers will receive assistance to help them understand the details of employment legislation.

### PERSONAL SAFETY FOR SALES ADVISORS

Human Resources have been working closely with Occupational Health and Safety through a series of workshops in conjunction with the Suzy Lamplugh Trust to enhance safety for sales advisors.





# Occupational health and safety



Site inspection



Active project Poole Quarter, Dorset

## AWARDS

Crest Nicholson achieved a Silver Award in the 2006 Occupational Health and Safety (OHS) Awards, organised by the Royal Society for the Prevention of Accidents (RoSPA). The Award recognises and celebrates the achievement of a very high standard of health and safety at work during the previous two years.

Crest Nicholson was required to make a concise submission indicating the steps it had taken to ensure continuing excellence in the company's management of health and safety. The RoSPA Awards are not only about reducing the number of accidents and cases of ill-health at work, they are also about ensuring that Crest Nicholson has good health and safety management systems in place. These help to reinforce the message that good health and safety management makes for good business. However, the

award clearly demonstrates Crest Nicholson's commitment to high levels of performance in this crucial area.

Dave Rawlins, RoSPA Awards Manager said "Crest Nicholson PLC demonstrated how seriously it takes health and safety management and is a fine example to many other companies. We would like to see more organisations following its lead by providing a positive example".

### Occupational Health and Safety (OHS) Objectives for financial year 2006-2007 are to:

- 1 Continually improve the Corporate OHS Management System
- 2 Continually improve OHS performance
- 3 Maintain the Annual Injury Incident Rate (AIIR) at below the construction industry average as published by the Health and Safety Executive (HSE)

- 4 Maintain effective health and safety policies, procedures and standards
- 5 Monitor and keep up to date with industry best practice

## BUILDING SITE PERFORMANCE

### 'Active' projects

	2004	2005	2006
Average no. of active projects	62	72	60

### Health and Safety Executive enforcement

	2004	2005	2006
HSE inspector visits	32	18	12
Prosecution	1	0	1
Prohibition notice	2	1	0
Improvement notice	1	0	0
Complaints	-	4	3

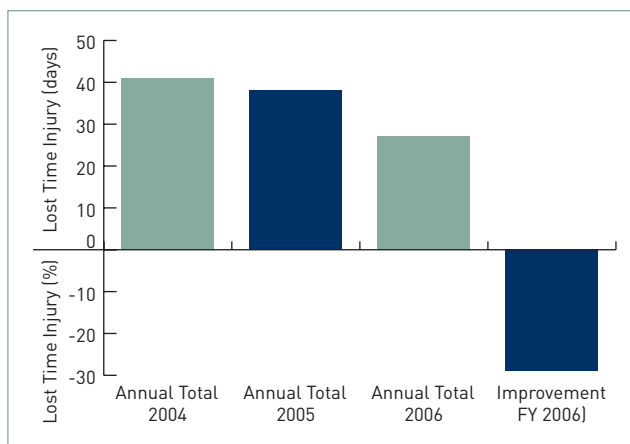
## OCCUPATIONAL HEALTH AND SAFETY

There were a total of three complaints to the Health and Safety Executive, one less than in 2005. None of the complaints resulted in actions from the Health and Safety Executive. There was one prosecution and a zero enforcement notice.

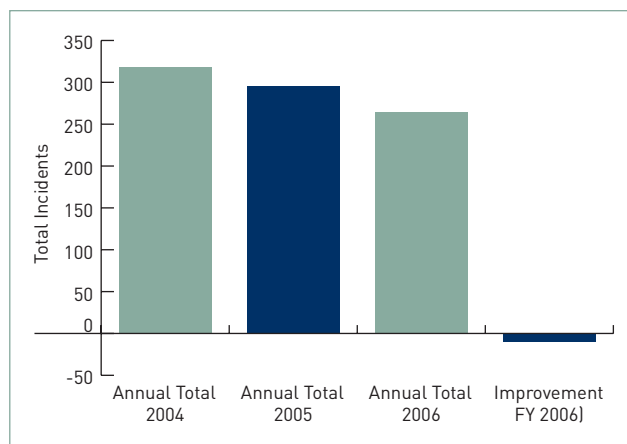
### Reactive data on losses

	Annual Total 2004	Annual Total 2005	Annual Total 2006	Improvement FY 2006
Injury accident (<1 day absence)	254	232	213	-8.2%
Lost time injury (1-3 days absence)	23	25	24	-4.0%
Lost time injury (>3 days absence)*	41	38	27	-29.0%
Fatal injury	0	0	0	-
Ill health incidents	0	0	0	-
<b>TOTAL INCIDENTS</b>	<b>318</b>	<b>295</b>	<b>264</b>	<b>-10.5%</b>
Days absence (injury & ill health)	571	392	329	-16.1%

\* This is also the number of incidents that have been reported to the HSE in accordance with the requirements of reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995.



Reactive data on losses - Lost Time Injury (>3 days absence)



Reactive data on losses - Total Incidents

The last two financial years indicated that the total number of incidents were reduced by just over 10% with the highest improvement of 29% in the number of days absence. The number of days absence, injury and ill health declined overall by just over 16%. There were no fatal injury incidents.

#### Other RIDDOR\* reports injuries

	2004	2005	2006
Members of public	0	2	0
Site visitors	1	0	0
Delivery drivers	2	1	1
Dangerous occurrences	0	1	0
Total incidents	3	4	1

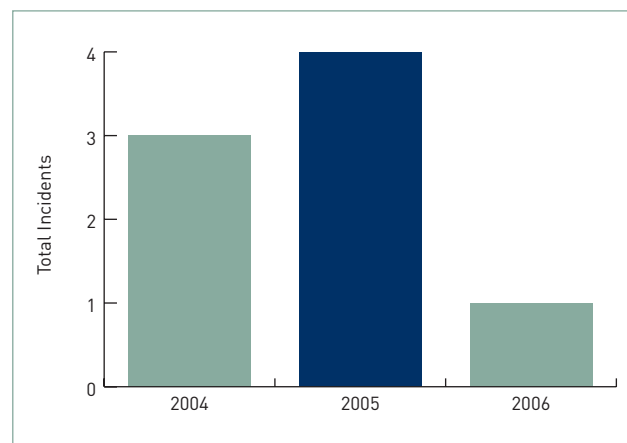
\*RIDDOR = Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995

One delivery driver was injured but no members of the public or site visitors. There were no dangerous occurrences.

#### Training and inspection

	2004	2005	2006
Man days training	462	507	446
Site inspections	156	154	268
Site audits	569	861	533

Following high levels of training and site audits in 2005, site inspections were increased in 2006 to monitor improvements.



Other RIDDOR reports injuries : Total Incidents

### ANNUAL INJURY INCIDENCE RATE (AIIR)

A 'rolling' AIIR was reported each month in the financial year 2006 rather than both a cumulative and projected rate. The rate has decreased significantly on the previous year.

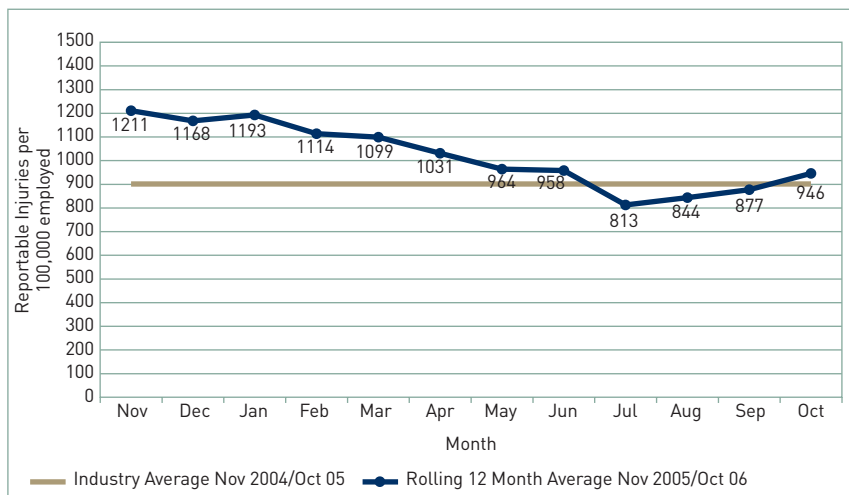
#### Annual Injury Incidence Rate (AIIR)

Annual Injury Incidence Rate (AIIR)	2004	2005	2006	2006 target	2007 target
Industry AIIR	1,172	1,023	901	-	-
Crest Nicholson AIIR	1,266	1,294	946	901	Industry AIIR
Average number of employed	3,240	2,937	2,853	-	-

- No targets

The construction industry AIIR for 2004/2005 was 901 reportable injuries per 100,000 employed. Published in 'Health and Safety Statistics Highlights 2004/2005' by the Health and Safety Commission (HSC)

## Annual Injury Incidence Rate (AIIR) 2005/2006



The construction industry AIIR for 2004/2005 was 901 reportable injuries per 100,000 employed. Published in 'Health and Safety Statistics Highlights 2004/2005' by the Health and Safety Commission (HSC)

Crest AIIR for 2005/2006 is the total number of Reportable Injuries notified to the HSE (27 incidents) divided by the Average Number Employed in the same period (2853) multiplied by 100,000 = 946



Assessing the risks of working from height

# Environmental stewardship

## LAND RESOURCES



A view of Port Marine, Portishead



Construction at Harbourside, Bristol

Key Performance Indicators	2003	2004	2005	2006	2006 target	2007 target
Homes built on brownfield land*	75%	73%	84%	84%	>80%	>80%
All UK homes sector brownfield land**	70%	73%	74%	74%	-	-
Housing portfolio development value (£m)	£2,287	£2,664	£2,992	£3,075	-	-
Land bank (units - short term consent)	13,204	15,060	16,237	16,322	-	-
Land bank (number of long term units)	13,236	13,182	12,181	12,926	-	-

- No targets \* Government target of 60% \*\* See the Environment Agency's 'The environment in your pocket 2006' publication

The Crest Nicholson Land Department reported that the number of brownfield sites held did not change significantly from the previous year but more homes were built on previously used land as production increased. Housing portfolio development value continued to increase and short and long term holdings also increased.

### PLANNING

Crest Nicholson's progress in sustainable development through the planning process in 2006 can be demonstrated by two near zero carbon communities (455 units) at Brighton and West Molesey. Following these projects were three developments of 413 units of high energy efficiency EcoHomes using modern methods of construction at Newport Pagnell, Mitcham and Maidstone.

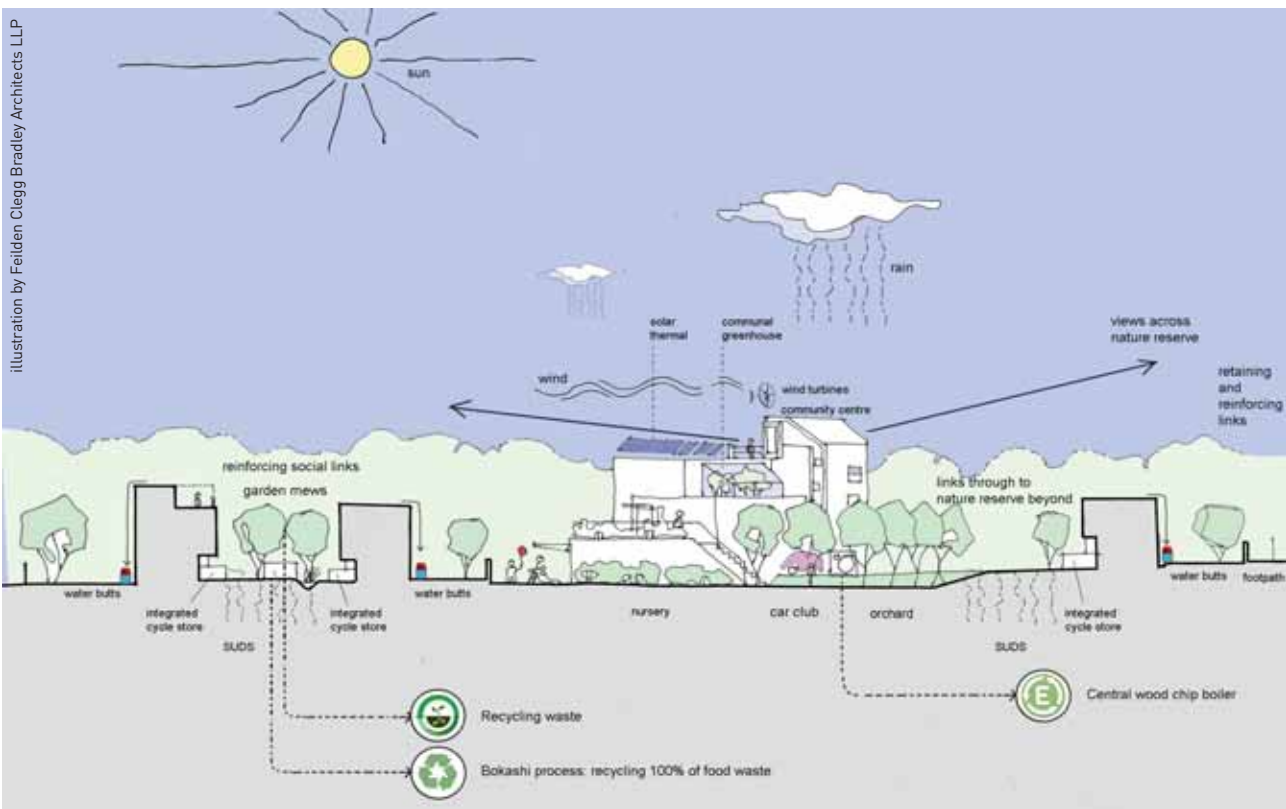
A total of ten developments, including longer term strategic projects have local renewable energy technologies applied at Brighton, West Molesey, Mitcham, Street, Milton Keynes, Osterley, Bath, Crawley, Swindon and Hardwicke. Two of these projects are referred to on the following page.

# NEW ENGLAND QUARTER, BRIGHTON

Crest Nicholson in partnership with BioRegional Quintain are planning the zero carbon development based on the following ten principles of 'One Planet Living'.

Zero Carbon	Sustainable Water
Zero Waste	Natural Habitats and Wildlife
Sustainable Transport	Culture and Heritage
Local and Sustainable Materials	Equity and Fair Trade
Local and Sustainable Food	Health and Happiness

# NIGHTINGALE ORCHARDS, WEST MOLESEY



A vision for 'one planet living' in Surrey

**Energy:** central wood chip boiler, solar thermal heating and wind turbine electricity supply

**Transport:** home integrated cycle stores and car club

**Waste:** recycling vegetation and composting food waste

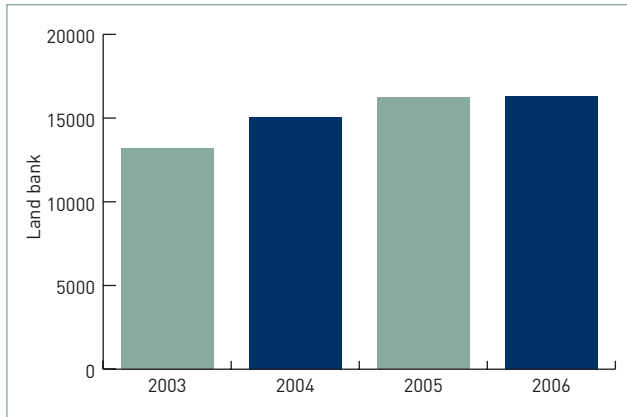
**Water:** sustainable urban drainage system and water butt provision

**Food:** communal greenhouse and orchard

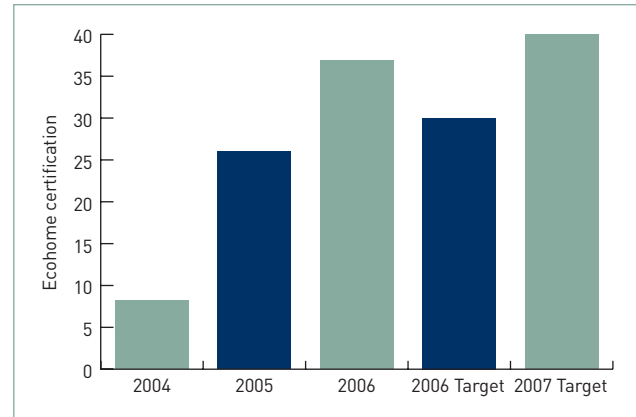
**Society:** community centre, children's nursery and garden mews



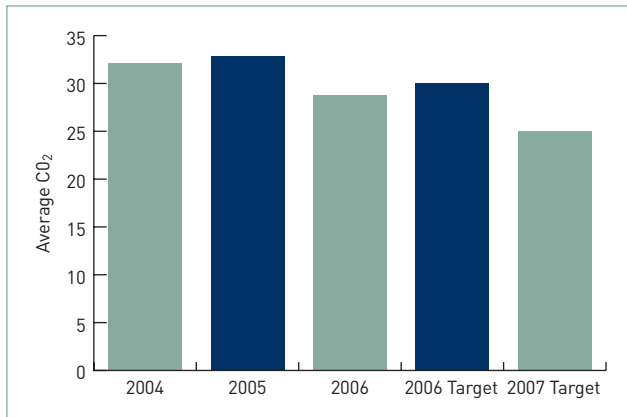
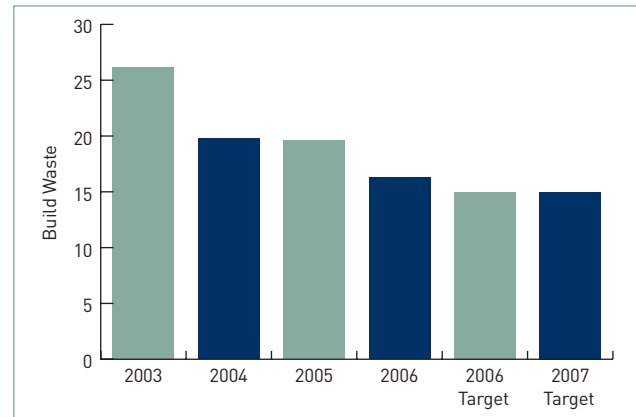
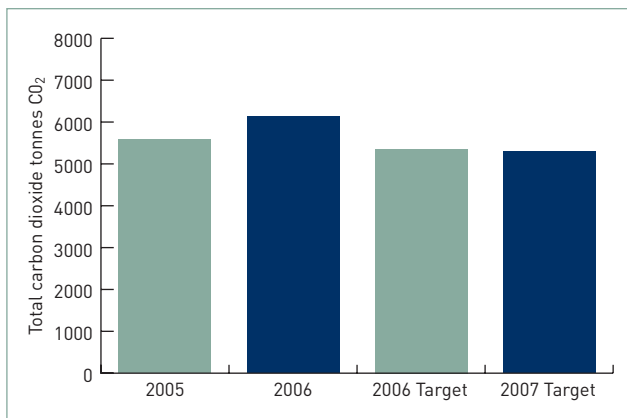
## ENVIRONMENTAL KEY PERFORMANCE INDICATORS



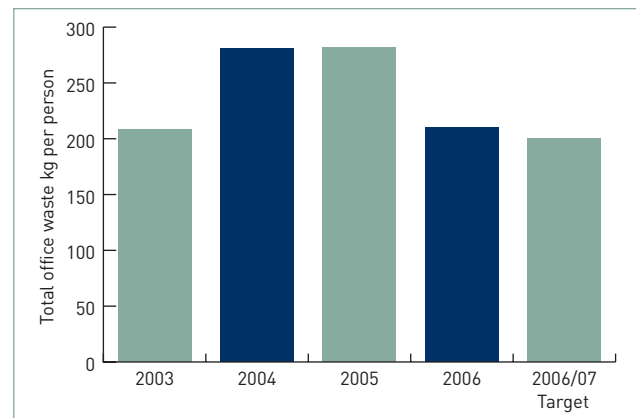
Land resources - Land bank (units - short term consent)



EcoHome certification (% of build)

EcoHome emissions - average CO<sub>2</sub> (kgCO<sub>2</sub>/m<sup>2</sup>/year)Build site waste management - Waste (m<sup>3</sup>/home)

Build sites, car fleet and offices total carbon dioxide emissions



Total office waste

DESIGN

Crest Nicholson homes energy efficiency

Key Performance Indicators	2004	2005	2006	2006 target	2007 target
Average energy efficiency (SAP %)	83.3%	79.2%	81.2%	85.0%	85.0%

Using the standard assessment procedure (SAP) certification data for home energy efficiency and expressing it as a percentage, all Crest Nicholson homes (2,946 units 2006) averaged a high energy efficiency that increased by 2% above the 2005 performance. The increase was due to improved airtightness in traditional build and the introduction of improved insulation. However, the target of 85% energy efficiency was not reached due to changes being implemented towards the end of the year.

breeam:ecohomes

Key Performance Indicators	2004	2005	2006	2006 target	2007 target**
Number of homes certified as EcoHomes	208	645	1,087	839	1,355
EcoHome certification (% of build)	8.2%	26.0%	36.9%	30.0%	40.0%
Percentage of units in 'Pass' range	7.7%	19.2%	5.7%	5.0%	0.0%
Percentage of units in 'Good' range	81.7%	80.8%	74.2%	80.0%	60.0%
Percentage of units in 'Very Good' range*	10.6%	0	20.2%	10.0%	30.0%
Percentage of units in 'Excellent' range	0.0	0.0	0.0	5.0%	10.0%

\* Equivalent to the Code for Sustainable Homes 3 star rating \*\* EcoHome or Code for Sustainable Homes equivalent



Woodmancote: 28 'Very Good' EcoHomes were designed in 2006



Harbourside, Bristol: 272 'Good' EcoHomes were designed in 2006

Crest Nicholson increased the number of EcoHome assessments to 1,087 units - representing 36.9% of homes built (3,388 units 2006). Most of the developments were a mixture of individual houses and apartments. The majority of certificates were for social housing with about 6% being open market. Crest Nicholson exceeded its EcoHomes certification target by 7%. Of these, 5.7% (62 units) were a 'Pass' rating. Crest also produced 806 'Good' EcoHome ratings representing 74% of homes certified just below its target of 80%. The 10% target for 'Very Good' EcoHomes was doubled but no 'Excellent' EcoHome ratings were achieved.

Traditional brick and block designs at Bolnore Village near Haywards Heath achieved 'Very Good' EcoHome ratings, scoring highest in the areas of energy efficiency, health and well-being and pollution reduction. Using modern methods of construction, Renny Lodge, Newport Pagnell also scored a 'Very Good' EcoHome rating based on energy conservation through airtightness and solid insulation.



Port Marine, Portishead: a further 22 'Very Good' EcoHomes were designed in 2006



Adjustable low eco-flow shower head

EcoHome energy efficiency, emissions and water use

Key Performance Indicators*	2004	2005	2006	2006 target	2007 target
Average insulation>build regulation** %	13.83%	18.67%	23.16%	20.00%	25.00%
Insulation range %>build regulation %	-	-	7.5-44.0	-	-
Average CO <sub>2</sub> (kgCO <sub>2</sub> /m <sup>2</sup> /year)	32.16	32.83	28.80	30.00	25.00
Range CO <sub>2</sub> (kgCO <sub>2</sub> /m <sup>2</sup> /year)	-	-	22.0-44.2	-	-
Nitrous Oxides (mg NO <sub>x</sub> /kWh)	70	70	>70	>70	>70
Water efficiency (m <sup>3</sup> /bed space/year)	41.01	43.35	43.36	41.00	40.00
Water efficiency range (m <sup>3</sup> /bed/year)	-	-	35.0-48.1	-	-

\* Data from 597 certified EcoHomes (excludes preliminary EcoHome assessments completed in 2006 - awaiting certification)  
\*\* Above Building Regulation (Part L 2002)

EcoHome energy efficiency

Average insulation 'U' values, as a percentage above building regulation (Part L 2002), increased by 4.5%, exceeding the group target by just over 3%. The maximum insulation value as a percentage above Part L was 44%.

EcoHome greenhouse gas emissions

Average EcoHome carbon dioxide emissions decreased by 12.3% improving on its target by 1.2 Kg CO<sub>2</sub> / m<sup>2</sup> / year. The lowest

estimated carbon dioxide emission achieved was 22 Kg CO<sub>2</sub> / m<sup>2</sup> / year from the modern method of construction used at Renny Lodge, Newport Pagnell. This was due to the application of factory built solid insulation panel systems and airtightness. The emissions of nitrous oxides from Crest Nicholson EcoHomes were reduced below 70 mg NO<sub>x</sub> / kWh due to the use of high energy efficient condensing gas boilers.

EcoHome water efficiency

EcoHome water efficiency remained approximately at the same level of 43.4 m<sup>3</sup> / bed space / year failing to reduce to a target of 41.0 m<sup>3</sup> / bed space / year previously achieved in 2004 with the use of low flow taps, shower heads and dual flush WC systems. WC's with 4/2 litre flush cisterns were installed and an average flow rate of less than 4.5 litres per minute was achieved.



Aerated low flow tap

ENVIRONMENTAL STEWARDSHIP

BUILD

Build site best practice



Crest Nicholson continued to distribute its build site good practice leaflets to all site workers via

regional management and health and safety induction. The leaflet covers:

- Construction Industry Research and Information Association (CIRIA) environment good practice guidance
- Considerate Constructors Scheme criteria
- Environmental management system emergency preparedness and response guidance
- Site skip waste management policy and segregation procedures

Environmental compliance

Key Performance Indicators	2003	2004	2005	2006
Environmental prosecutions	1	0	0	1

Crest Nicholson’s zero tolerance on environmental prosecutions was broken by multiple breaches of a noise limitation order on one site resulting in a £40,000 fine. Two minor spill incidents on build sites were reported, inspected and safely controlled. As a consequence, more robust ‘Emergency Preparedness and Response’ posters and site best practice procedures were established and distributed.

Build site waste management



Crest Nicholson continued to roll out its Waste Management policy and posters to construction sites. These posters contained procedures for all phases of construction from site clearance to build completion. The requirements of the Hazardous Waste



King’s Warren, Red Lodge, Suffolk: 23 ‘Good’ EcoHomes were designed in 2006

and Landfill Directives are covered by the posters. The principles of waste Reduction, Reuse and Recycling (RRR) are supported by a Waste File skip segregation system and management plan following Waste and Resources Action Programme (WRAP) and Envirowise guidance.

The Group waste management system introduced more segregation and recycling and raised awareness through the Government’s Waste and Resources Action Programme (WRAP) training. Waste skip costs as a percentage of build cost dropped for the third consecutive year to their lowest level at 0.35% exceeding a target of 0.40%. Waste volume dropped for the fourth consecutive year reducing social and environmental impacts through reduced exposure and transportation of waste. Waste volume is expected to continue to drop against rising housing production as more waste segregation skips are introduced across all regions. Crest Nicholson also reduced its waste volume per unit built to 16.3 cubic metres which is below the Building Research Establishment’s benchmark of 18 cubic metres per home built. In 2007 Crest Nicholson will receive its first data on the percentage of waste recycled from skip suppliers.



Poole Quarter, Dorset: 56 ‘Good’ EcoHomes were designed in 2006





Park Central, Birmingham: improving public open spaces and the built environment

Key Performance Indicators	2003	2004	2005	2006	2006 target	2007 target
Waste cost as % build cost	0.48	0.51	0.47	0.35	0.40	0.30
Build waste volume (m³)	50,752	49,927	48,473	48,277	47,500	-
Number of homes built	1,936	2,524	2,417	2,946	-	3,388
Build waste (m³/home)	26.2	19.8	19.6	16.3*	15.0	15.0

\*Building Research Establishment good practice benchmark is 18.0 m³ per home built

Towards the end of 2006, Crest Nicholson established a contract with British Gypsum to collect and recycle waste plasterboard from build sites. Initial data indicates that between 200 and 400 tonnes of plasterboard could be recycled per month indicating areas for improvement in build site ordering, storage and construction practices.

Waste management and other case studies on supply chain workshop partnerships, land regeneration, community building, transport plans, biodiversity, and energy efficiency can be found on [www.crestnicholson.com](http://www.crestnicholson.com)



Blakenham Park, Ipswich: 59 'Good' EcoHomes were designed in 2006

ENVIRONMENTAL STEWARDSHIP

Group ‘green house’ gas emissions

Key Performance Indicators*	2004	2005	2006	2006 target	2007 target
Office carbon dioxide tonnes CO <sub>2</sub> e*	902	883	614	-	600
Site carbon dioxide tonnes CO <sub>2</sub> e**	-	3,216	4,155	-	4,000
Car fleet carbon dioxide tonnes CO <sub>2</sub> e***	-	1,477	1,369	-	1,300
Total carbon dioxide tonnes CO <sub>2</sub> e	-	5,576	6,138	5,353	5,300

- No target set \* Taken from meter readings and conversion calculations. \*\*Estimated from cost data  
\*\*\*Calculated from estimates of business mileage and car fleet data (KPMG report 2006)

Crest Nicholson offices

Carbon dioxide emissions, based on electricity and gas usage were reduced by 30.5% against a total carbon dioxide target reduction of 4%. The reduction was achieved due to moves towards more energy-efficient office premises. Future energy savings will be based on increased promotion of office good practice.

Car and van fleet

Following a financial and Energy Saving Trust review of the Crest Nicholson car fleet, carbon dioxide emissions were also reduced by 7.3% against the total carbon dioxide reduction target of 4%. This was due to an initial move towards a diesel fuel and hybrid

(electric and petrol powered) car fleet that is to be progressively implemented.

New build energy supply

Carbon dioxide emissions, based on electricity and gas supplied to development sites, increased by 29.2%. The target to reduce Crest Nicholson’s total carbon dioxide ‘footprint’ by 4% was not achieved against an increase in home unit production of 22%. However, new home energy efficiency design data from certified EcoHome assessments indicated that average carbon dioxide emissions per square metre per year have reduced by 12% from the 2005 data.



Crest Nicholson’s Customer Service fleet

Carbon offset



Crest Nicholson was aiming to reduce total carbon emissions by approximately 4% but this target was not achieved against the significant increase in housing production. At the end of the financial year 2006, 814 build plots were connected by Crest Nicholson’s nationwide energy supplier onto an environmental tariff. Gas and electricity connections represented just under 28% of new home production. For each home, six trees were planted by Scottish and Southern Energy (SSE) in partnership with the World Land Trust. Five trees were planted per annum for each gas customer to offset gas related carbon dioxide based on an average consumption of 20,500 kWh per home per annum. One tree is planted per annum per home to offset domestic waste disposal related carbon dioxide. The planting of an estimated 4,884 trees for carbon dioxide offset is the start of Crest Nicholson’s nationwide contract initiated in the latter half of the financial year 2006.



Crest House, Pyrcroft Road, Chertsey, Surrey



Office resource use

Key Performance Indicators	2003	2004	2005	2006	2006/07* Targets
Total office energy use (Kg/CO <sub>2</sub> /m <sup>2</sup> )	89	130	103	106	<69
Total office waste (metric tonnes)	190	249	243	166	200
Total office waste (kg per person)	208	281	282	210	<200
Total office waste recycled (%)	8.0%	6.0%	8.2%	9%	15.0%
Office water use (litres per person)	5.0	6.1	3.7	4.1**	<7.7

\* National 'good office' benchmark targets (Department of Trade and Industry Environmental Technology Best Practice Programme) \*\* Office water use data is lower than expected due to continued water reading metre faults.

Emissions of carbon dioxide per square metre of office space remained fairly constant over the last two years against a reduction in office area and a rise in housing production of 22%. Total office waste was reduced for the third consecutive year significantly below its annual target of 200 metric tonnes. Waste per person approached its target and the amount recycled rose slowly for the third consecutive year to 9%, failing to meet its target of 15%.

Crest Nicholson Office Waste Recycling  
League Table 2006

Regional Offices	Total waste (Kg)	Waste landfill (Kg)	Waste recycled (Kg)	Waste recycled %
Eastern (Brentwood)	2,844	1,344	1,500	52.7%
South (Chertsey)	66,044	55,904	10,140	15.4%
Chiltern (Hemel Hempstead)	26,546	23,296	3,250	12.2%
South West Parklands (Bristol)	1,000	1,000	0	0
South West (Stoke Gifford)	23,296	23,296	0	0
South East (Westerham)	23,296	23,296	0	0
Midlands (Tamworth)	23,296	23,296	0	0
Totals	166,322	151,432	14,890	9%

Good recycling performances were measured at regional offices in Eastern, South and Chiltern.

# Community building



Social housing at Hannay House, Whitelands College, consisted of 99 'Good' rated EcoHomes, Putney



Social housing at Braydon Mead consisted of 68 'Very Good' rated EcoHomes, at Swindon

Crest Nicholson committed to the Government's Sustainable Communities agenda by increasing housing completions beyond all of its 2006 targets achieving a record high for both open market and affordable homes.

Social housing exceeded its 2006 target of 30% of production (900 units) with a record 911 unit completions. Crest Nicholson's average house sale price dropped for the fourth year in a row. This reflects a consistent move towards social housing production.

Key Performance Indicators	2003	2004	2005	2006	2006 Targets	2007 Targets
Total housing completions	1,936	2,524	2,417	2,946	2,897	3,388
Open market completions	1,628	1,812	1,960	2,035	1,997	2,218
Social housing completions	308	712	457	911	900	1,170
Social housing (% homes built)	16%	28%	19%	31%	30%	35%
Average house sale price	£239,000	£210,000	£225,000	£199,000	-	-

- No target

Additional social and environmental specifications to meet the Code for Sustainable Homes, using modern methods of construction, has aided the start of a new Crest Nicholson range called, 'Homes for Life'. These embrace the principles of 'Lifetime Homes' (flexible living spaces) and 'Secured by Design' (increased security).

The creation of sustainable communities that are able to generate a sense of belonging is central to Crest Nicholson's business strategy.

Every scheme has as its main focus a potential to generate a true community spirit through the incorporation of appropriate

features: distinctive residential areas with their own character and identity; generous areas of open space; essential amenities such as schools, shops and sports facilities.

Sustainable residential travel plans are a key Government objective aimed at reducing the number of vehicles on the road. An integral part of large Crest Nicholson schemes is the provision of a viable infrastructure, which discourages car use. Many of its newest developments feature designated cycle routes and integrated bus services linked to town centres, thereby helping to create a safer and cleaner living environment. As part of its commitment to the environment and in conjunction with the Borough of Poole, Crest Nicholson has designed an innovative Travel Plan for its residents. Crest Nicholson is helping to change perceptions about the convenience and benefits of alternative transport.



Social housing at Woodlands, Ingress Park, consisted of 37 EcoHomes at Greenhithe, Kent





Social housing at Waterfront III, Ingress Park, consisted of 21 'Good' rated EcoHomes, Greenhithe, Kent

The Travel Plan consists of numerous initiatives to help conserve the environment. Each household is given £100 worth of vouchers to be spent on public transport, cycle equipment from local shops or the development's Car Club, which allows

residents the use of two fuel-efficient cars with none of the associated running costs or maintenance. The residents also have access to a car lift-sharing scheme via a members-only website. The Travel Plan received a highly commended award from

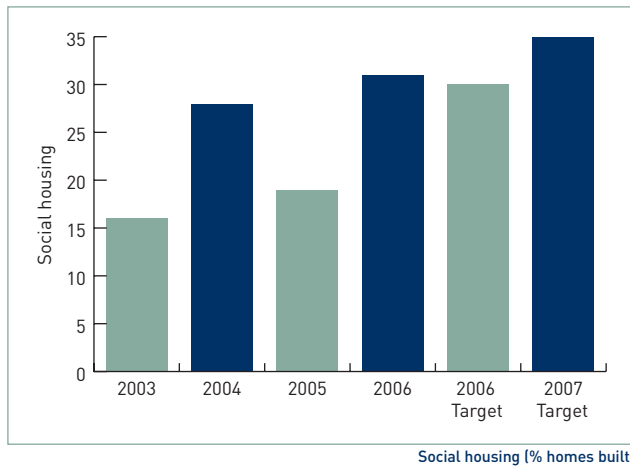


High quality public open spaces The Heritage Trail, Ingress Park, Greenhithe, Kent

the Association for Commuter Transport (ACT). Rory McMullan, Marketing Manager, ACT comments: "Sustainable travel choices benefit not only the environment but also residents. It is vital all new sites have residential travel plans, such as the one at Poole Quarter, as they reduce strain on the local network and help reduce congestion on the roads." A similar plan has also been implemented at Priddy's Hard, Gosport, Hampshire.



Social housing at Park Central in 2006 consisted of 41 'Good' rated EcoHomes, Birmingham



Working with local businesses and the local transport operators, the Borough of Poole and Crest Nicholson are proud to present an innovative package of travel benefits, designed exclusively for the residents of Poole Quarter. This is known as a travel plan.

Comprehensive and fully integrated, the Travel Benefits Package contains some amazing offers.



#### The RouteONE Bus Service

Linking Poole Quarter to the town centre, Poole Quay, local bus and rail stations and the hospital, Route One is a bus flow bus service with local access for people with pushchairs or who use wheelchairs. Route One services operate between 9.30am and 3.30pm, from Monday to Friday, and right up to 4.00pm on Saturday. The round trip takes under 25 minutes. Increased morning and evening services are planned.

- Frequent service every 15-20 minutes
- Fixed fare for unlimited use
- Bus stops within easy walking distance from the development
- Bus arrival information displayed at bus shelters

#### Voucher & Discount Scheme

Two £20 Travel Vouchers will be issued to every household in the Poole Quarter development, which can be used towards local transport initiatives which include:

- Bus travel
- Rail travel
- Bicycle and/or safety equipment purchases at local shops
- Poole Quarter car club membership

Under ongoing negotiation, residents will also benefit from a range of commercial discounts plus the Travel Benefits Package.

#### Cycle Routes & Parking

Poole Quarter is designed to provide easy access to the town centre and to local shops, parks and services on foot and by bicycle. There is a marked out central cycle route, which will cross Solihole Bridge Road at a signal-controlled crossing, and there will be a cycle link through to Boker Park.

There is secure underground parking in each main apartment block, which is well lit and equipped with stands, we also provide a heavy duty pump.

Visitors can use the public cycle stands located throughout the site, or the secure cycle parking area, if met by a resident.



#### Parking Management Scheme

Poole Quarter's Travel Plan is designed to eliminate, where possible, the need to use a car for many of your journeys. As a result, each household is provided with a permit for one parking space. The aim of the scheme is to encourage full use of the on-site Car Club.

- Every household will be issued with a resident's parking permit
- There will be over 50 time-restricted (daytime only) visitor spaces
- Commuter parking and park and shop use will be prohibited in and around the development
- Wheel clamping will be implemented to ensure resident only parking

#### Car Club

Smart Moves will be managing a Car Club which will allow residents to hire as and when required at an affordable low cost. Initially, at least two fuel efficient cars will be available, with more planned as the site is developed. Ideal for a day trip out, shopping or special journeys, residents can save on car ownership and running costs with Poole Quarter's innovative scheme. Further information will be provided in The Residents Travel Plan Information Pack.

#### Lift Sharing Scheme

Residents will have access to a car lift sharing initiative via a members only website ([www.carsharepoint.com](http://www.carsharepoint.com)) which can be accessed from [www.poolequarter.com](http://www.poolequarter.com). Open to residents and people living in the area, users can halve the cost of getting to work, save money on parking, meet new people and help the environment. You will receive details of how to join and use the lift sharing website in your travel benefits package.



#### The Poole Quarter Website

Poole Quarter's own dedicated website, [www.poolequarter.co.uk](http://www.poolequarter.co.uk) offers comprehensive Travel information, including:

- Bus routes/times
- Train times
- Cycle routes
- Lift Share Scheme
- Car Club
- Other local travel schemes, organisations and employers

#### Local Highway Improvements

As part of the Poole Quarter scheme, Crest Nicholson will contribute to funding for improvements to local roundabouts to help ease traffic flow and to increase the safety of pedestrians and cyclists. In addition, a new lay by will be constructed on Newfoundland Drive where visitors can park.

#### More Information?

For more details on the travel benefits, on offer, please contact the Poole Quarter Sales Centre on 0800 7510476 or visit Poole Quarter's website at [www.poolequarter.co.uk](http://www.poolequarter.co.uk). In addition, homebuyers will receive on reservation a detailed leaflet outlining the Travel Plan, plus the travel benefits package. We will ask you for information about your personal travel needs, which will help us to work with you to provide you with the best comprehensive Travel Benefits Package for your own situation. This will include registration details for all the special new schemes and discount vouchers, on completion.



## Poole Quarter Travel Plan



An inspiring new development of houses and apartments from Crest Nicholson



Crest Nicholson (South) Ltd  
Crest House, Pyrcroft Road, Chertsey, Surrey KT16 9GN



# Sales, marketing and customer services



Marketing suite, Port Marine, Portishead



After sales service

## CUSTOMER SATISFACTION

Key Performance Indicators	2003	2004	2005	2006	2006 target	2007 target
Customer Satisfaction						
Overall index (%)	74.1%	75.4%	74.8%	77.3%	80.0%	79.0%
*Customer satisfaction						
Before sales service 1-10	7.4/10	7.4/10	7.5/10	7.8/10	8.0/10	8.0/10
*Customer satisfaction						
After sales and defects 1-10	7.3/10	7.4/10	7.1/10	7.4/10	8.0/10	8.0/10

\* Figures adjusted by The Leadership Factor – independent consultants

## AFTER SALES SERVICE

Customer satisfaction, before sales service, has improved significantly since 2003 (even more than the after sales service). The target for the next financial year will be to reduce home defects and continue the sustained improvement in overall customer satisfaction.

## ADVERTISING STANDARDS

No incidents were referred to The Advertising Standards Authority (ASA) in the last reporting period.

Key Performance Indicators	2003	2004	2005	2006	2007 target
British Code of Advertising breaches (No.)	0	0	1	0	0

## MARKETING 'ONE MILLION SUSTAINABLE HOMES'

In 2006 Crest Nicholson was approached by the Halifax to continue its campaign for 'One Million Sustainable Homes' in partnership with the WWF – the global environmental charity. The Halifax and the WWF had been encouraging the top UK house builders to become more energy efficient and to help slow down climate change.

Crest Nicholson was one of the clear leaders assessed in the 2003 and 2005 surveys for building more environmentally friendly homes and creating a sense of community.

Two special rate mortgage products were



**DON'T LOSE THE PLOT**

Special rates for new home buyers

Ask your sales consultant for details

Crest Nicholson  
Berkeley Homes  
George Wimpey  
HALIFAX Always giving you extra

After sales service

made available to customers of Crest Nicholson in recognition of Crest's sustainable development credentials. For more information on sustainable homes visit: [www.wwf.org.uk/sustainablehomes](http://www.wwf.org.uk/sustainablehomes)

### SUSTAINABLE LIFESTYLES

In preparation for the Code for Sustainable Homes in April 2007, Crest Nicholson produced its first sustainable lifestyle brochure: 'A Guide to Greener Living'.

The aim is to keep customers informed of the global to local impacts of their new homes and their lifestyles within them. The guide covers energy efficiency, alternative travel, reducing water consumption, recycling waste and protecting or enhancing wildlife.

### CUSTOMER COMFORT LEVELS AND ECOHOMES

In 2006 Crest Nicholson volunteered to participate in a building survey, conducted by the University of Salford, on occupant comfort levels in EcoHomes. Crest Nicholson gained the opinions of residents

in its 'Good' EcoHomes of brick and block construction. The questionnaire was sent to all Crest Nicholson customers in the Village Quarter of Port Marine and covered comfort levels in terms of seasonal temperature, humidity and odour. Other criteria included internal and external noise insulation and natural and artificial lighting levels.

### RESPONDENTS

- 1 67% of respondents were aged over 30 years
- 2 67% of respondents were female
- 3 Occupants moved in during 2005.

Crest Nicholson Development	EcoHomes	Questionnaires issued	Response	Response rate
The Village Quarter Port Marine, Portishead, Bristol	'Good' Rating	23 private homes	9	39%



A Guide to Greener Living

‘GOOD’ RATED ECOHOME CREDENTIALS

Energy	Pollution	Water	Waste	Materials
Maximisation of solar passive design and natural daylight	Zero ozone depleting insulation	Low water use appliances	Recycling facilities provided	Low impact ‘A’ rated materials
External drying space	Low carbon dioxide and nitrous oxides emitting boilers	Reduced rainwater run-off		in the roof and walls
Energy efficient condensing gas boiler				
Increased insulation				
High performance glazing				
Efficient white goods information provided				
Security daylight cut-off sensors	Low ecological value site	Rainwater butt collection		
Home office				

RESPONSES

Thermal comfort

- 92% of Crest Nicholson respondents stated that they experienced no fluctuations in temperature.
- 62% stated that their home temperature provided optimum conditions in summer, being neither too hot nor too cold.

Visual comfort

- 87% of Crest Nicholson respondents agreed that visual comfort was provided as lighting was rated as comfortable.



Designs that optimise built and natural shading

- 75% stated the provision of natural lighting was at its optimum.

Acoustics

- 87% of Crest Nicholson respondents indicated that acoustic comfort was largely provided by sound insulation between homes.
- 25% experienced discomfort from noise transfer between rooms
- 12% experienced discomfort caused by external sources.

Air quality

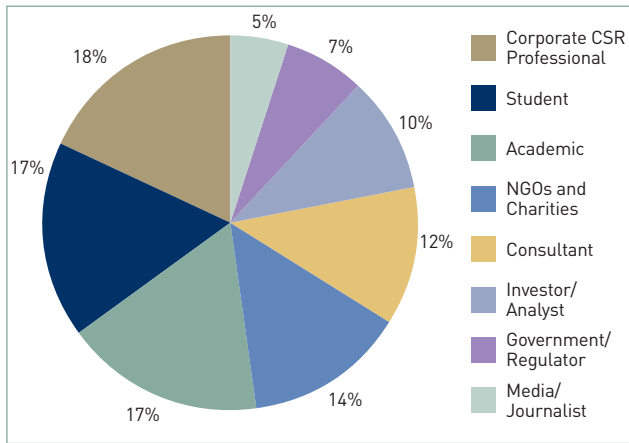
- 38% of Crest Nicholson respondents rated the air as comfortable, being neither dry nor humid.
- 62% stated no clear distinction between dry and humid conditions.

Continually improving customer comfort and EcoHome levels together

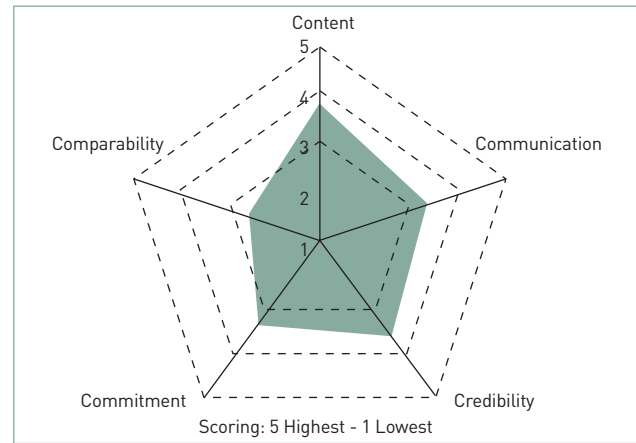
The comfort levels of sustainable homes and consequently their quality will depend upon the planning, design and specification expertise of the developer. As there is a drive towards increased airtightness, lightweight timber frame construction and increased solar glazing, there is responsibility on the developer to design out the discomfort that could arise from lower levels of air circulation, overheating from global warming and the reduced noise-depleting properties of some environmentally friendly insulation and glazing. Crest Nicholson customer

comfort levels will be maintained through applying environmental features that can be controlled to optimise comfort through the careful selection of materials to add thermal mass for cooling and designs that optimise built and natural shading, passive venting and heat exchange.

# Stakeholder feedback



Respondents by stakeholder group



Averaged score per category across all responses

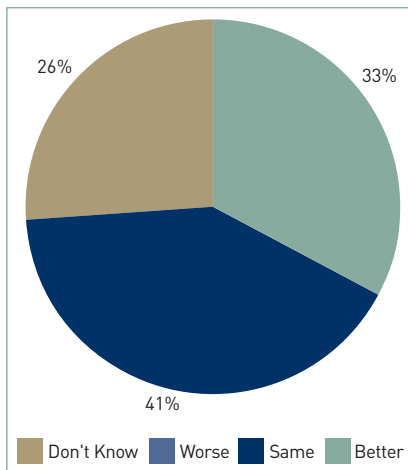
Stakeholder feedback on the Corporate Responsibility Report 2005 attracted 42 respondents - a 27% increase on the 2004 report assessed by independent consultation. The majority stakeholders were corporate social responsibility professionals, academics, students, non-governmental organisations and charities. Other stakeholders included consultants,

investors/analysts, Government/regulators and media/journalists.

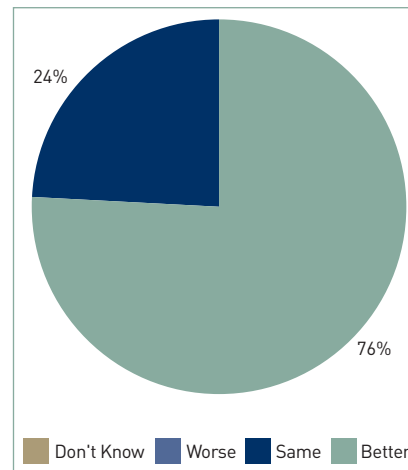
An increased percentage of stakeholders in 2005 felt that Crest Nicholson had improved the range of issues covered in the report and in sufficient detail. Stakeholder ratings of communication, credibility, commitment and comparability were similar to those in 2004 with content, credibility and commitment

scoring highest. Comparability scored low because very few companies in the homes sector apply consistent standards and because sustainable building regulations are changing on an annual basis, leading to changes in key performance indicators.

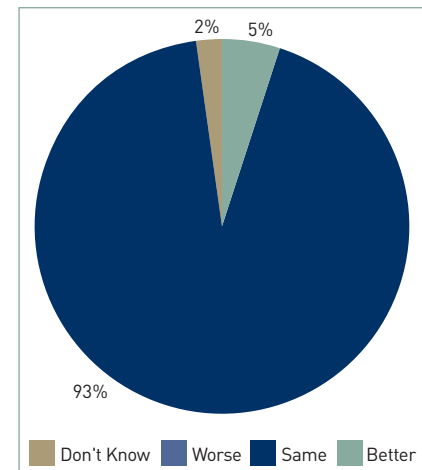
Government Regulators and corporate social responsibility professionals rated Crest Nicholson's reporting performance higher



How did this report compare with previous reports from the company?



How did this report compare with previous reports from this sector?



How did this report compare with the best reports across all sectors?

STAKEHOLDER FEEDBACK

than the average of all stakeholder ratings. Investors and analysts rated Crest Nicholson in line with the average stakeholder scores for content, communication and credibility but lower on future commitment or target-setting. This was partly due to the uncertainty of future regulation standards. In contrast, media stakeholders rated Crest Nicholson high on commitment. This was possibly due to the Company's willingness to engage in discussions about sustainable development standards.

In comparison with previous reports from Crest Nicholson, 33% of stakeholders thought that the 2005 report was better than previous reports and that this was probably due to content. Only 6% of stakeholders in 2004 suggested an improvement in reporting.

In comparison with other reports in the home building sector, 76% of stakeholders thought that the Crest Nicholson report was better as opposed to 67% in the previous year: an improvement of 9%.

In comparison with the best reports across all sectors, 5% of stakeholders thought that Crest Nicholson's report in 2005 was better. In 2004 this rating was 37%, probably due to all Global Reporting Initiative data being included in the report.

Overall, 52% (54% in 2004) of all stakeholders thought that the 2005 report had changed their opinion of the Company in a positive way. There were no negative opinions.

<b>Selected stakeholder comments</b>	Note: All comments are unedited - they retain original grammar, spelling etc.
<b>Academics</b>	
	"Text often hard to read (graphics keys & captions) and a lol of it!"
	"Good straightforward tone with facts not spin. Missed explanation of why some targets not set in env stewardship. Would prefer an overview of all targets, in words not just graphs. Good verification."
<b>Consultants</b>	
	"Prob not reporting best practice as hard to see what's 'material', but certainly a wealth of information. I'd like an html version as the pdf is large."
<b>Corporate CSR Professionals</b>	
	"This looks as if Crest N is not only making a genuine effort to assess and manage its impacts, but also trying to communicate this. Comprehensive and systematic report. GRI index within the report, and AA1000AS in the assurance would improve it still further."
	"As last year, excellent report with elements GRI on web, credible assurance rather than 'consultant opinion' which keep it ahead of others in the UK sector. Some kind of sector benchmarking would be very welcome."
	"I rate this highly within its sector. Probably not comparable with leading reports from oil & gas, mining etc."
<b>Investor/Analyst</b>	
	"Not so easy to find the really important issues. GRI index might be useful. More figures would help."
	"Liked peer comparison p5 - more."
<b>NGOs &amp; Charities</b>	
	"Some outside voices would make this more credible. An index would make looking for things like flood plain management, wetlands etc much easier (if you discuss them at all - hard to see). Less PR than other reports from housing sector, so good really."
<b>Students</b>	
	"Less stuffy and more infor than other reports from UK construction."

# Verification Statement

## OBJECTIVE

RPS Group plc has been commissioned by Crest Nicholson PLC (Crest Nicholson) to conduct an independent verification of this Corporate Responsibility Report 2006. The overall aim of the verification statement is to provide assurance to all stakeholders that the information provided is accurate and reliable, and to provide independent comment on the social and environmental achievements of Crest Nicholson. The corporate responsibility report is the responsibility of Crest and the verification statement is the responsibility of RPS.

## SCOPE

The terms of reference for RPS's verification were to assess the appropriateness, credibility and soundness of the claims and commitments made in the report. In particular, RPS was asked to judge the extent to which key performance indicators were being achieved and reported against. The scope of this verification was the information published in the written report.

## METHODOLOGY

The process used in this verification statement is based on guidance published by GRI and other supporting best practice. Statements and data were verified through a series of interviews with key individuals at corporate level, document review and data sampling. Evidence of target achievement was reviewed to ensure consistency with reported progress.

## COMMENT

Crest Nicholson has continued to make good progress in all areas of corporate responsibility, building on its performance over the past five years and demonstrating the commitments made at all levels of the business, from the Chief Executive and the Committee for Social Responsibility to specific managers within the Group.

The approach of Crest Nicholson to external stakeholder engagement is particularly laudable with active participation in the Carbon Disclosure Project and Next Generation Homes and the entry submitted for the Queen's Award for Sustainable Development; all demonstrating the Company's open and proactive approach to managing and reporting its corporate responsibility issues. The continued use of an external assessment of stakeholder feedback further adds weight to the approach.

Crest Nicholson is addressing the increasing pressure on housebuilders to achieve sustainable development through a number of initiatives not least the use of the 'whole house' solution, which has led to a number of improvements with regard to energy efficiency and reduced climate change impacts. The resulting 'Homes for Life' range, developed in 2006, is designed to meet the requirements expected under the Code for Sustainable Homes.

## CONCLUSIONS

Based on the information reviewed, RPS is confident that this report provides a comprehensive and balanced account of social and environmental improvement achieved during 2006. The data presented is based on a systematic and sufficiently robust collection process, and we are satisfied that the reported performance data accurately represent the current social and environmental performance of Crest Nicholson.

**Tanya Lloyd Jones**

May 2007

Technical Director

RPS Group plc

RPS is an international consultancy and one of the UK's largest multi-disciplinary consultancies to public and private sector organisations. They provide advice on natural and built environments in the areas of planning, development, natural resource, property and health and safety.



[www.crestnicholson.com](http://www.crestnicholson.com)

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