At CALA, we recognise that when we build homes, we are using a precious resource. What we build, and how we build it, has a long-term impact on local communities and we work to make a positive contribution to those communities; not just now but for years to come.

ALAN D. BROWN, GROUP CHIEF EXECUTIVE
Welcome to CALA Group’s Sustainability Report covering our financial year ending June 2015. This is our second Sustainability Report and I am pleased that we have made such good progress in so many areas over the last twelve months.

It is an exciting time of change and growth for the business. We have achieved record financial performance in the first year of significant volume growth from our new strategic plan. During the year we retained the maximum 5-star rating in the HBF National New Home Customer Satisfaction Survey which we have now held for each of the last six years. This year we have had 12 NHBC Pride in the Job quality award winners and been named Scottish Housebuilder of The Year 2015 at the Scottish Home Awards.

We recognise that as our business grows, so does our impact and responsibility. Given our plans to expand in a controlled manner we have invested considerable time during the course of the year in exploring how we best balance the social, environmental and financial considerations that drive a sustainable business. This has included the appointment of our first Corporate Social Responsibility Manager and we are now members of Next Generation, a benchmark measuring and encouraging improvements in the sustainability performance of the UK’s largest housebuilders.

There continues to be a skills shortage with our sector and this year we have increased investment in our workforce and introduced graduate and apprenticeship programmes on an unprecedented scale for CALA to help to address this issue.

During the next twelve months we have plans to establish a CALA Sustainability Forum to define and drive our Sustainability Vision and Targets; to introduce schemes to support the volunteering and fundraising efforts of our employees, to invest further in the communities in which we operate and to extend our involvement in the development of skills and the opportunities available in our sector.

Being a responsible home builder whose contribution goes far beyond the homes we build is an inherent part of CALA’s heritage and culture as well as our future. It runs through our day-to-day business operations; from the way we buy land through community consultation to how we design and build our homes and beyond. I am proud of where we are as a company today and excited about where we plan to be in the future.

If you have any questions or comments on our Corporate Responsibility report, please email cr@cala.co.uk
WHO WE ARE

CALA is the UK’s most upmarket major homebuilder, a leading provider of high quality homes in affluent areas of southern England and Scotland.

Our brand is highly regarded within the industry and aspirational for many homebuyers. At £509,000, we have the highest private average selling price (‘ASP’) of the top 20 major UK homebuilders outside central London.

Our homes are positioned as premium, rather than luxury, with only 6% of group revenue coming from homes priced above £1 million.

WHAT WE DO

We are differentiated by our clear focus on delivering excellent customer service and building high quality, well designed, sustainable homes and communities in prime locations.

We are different to other UK major homebuilders in the following key areas:

- Affluent areas of the UK
- Predominantly family housing
- Financially resilient and equity-rich customers

We operate through eight regional businesses in the UK. Four of these cover the Home Counties excluding central London, with a fifth operating in the southern Midlands. CALA is also the leading premium homebuilder in Scotland, where we have three regional businesses covering the principal cities of Glasgow, Edinburgh and Aberdeen.
OUR STRATEGY

CALA’s core strategy is to accelerate the growth of the group to optimise the operational efficiency of our eight regional businesses and enhance our premium market positioning. Operational efficiency means having a business of sufficient scale to maximise the absorption of our overhead structure.

We will ensure our strategy generates value for shareholders in a responsible and controlled manner by adopting the following key principles:

**FINANCIAL**
Maintain a resilient balance sheet through the business cycle with a clear focus and disciplined approach to margin delivery and return on capital.

**CULTURAL**
Conduct our business in an open and professional manner underpinned by strong ethical values that promote good decision-making under a comprehensive corporate governance framework.

**SUSTAINABLE**
Make a positive contribution to those stakeholders and communities impacted, directly and indirectly, by our business activities and create an enduring legacy for future generations.
Our overriding strategic objective is to reinforce CALA’s position as the UK’s most upmarket major homebuilder, delivering high quality sustainable returns. We will achieve this through the following six key areas of focus:

1. **CUSTOMERS**
The quality of what we deliver to our customers and the way in which we service and care for them is the principal driver of our business. Our priorities are to:
- Provide industry leading service to our customers
- Deliver high quality, well designed homes to our customers
- Maintain every year, our 5-star rating in the HBF National New Home Customer Satisfaction Survey

2. **PEOPLE**
Our success as a company relies on the dedication, commitment and talent of our teams. To facilitate their delivery in a competitive and challenging environment we will:
- Ensure our staff are engaged and enabled
- Increase our intake of graduates and apprentices and help upskill the industry
- Protect our culture that empowers our staff and nurtures high performance

3. **FINANCIAL**
CALA’s operating platform and network of eight regional businesses is structured with the potential capacity of 2,000 – 2,500 homes based on current market conditions.
Our key medium-term financial targets are:
- Revenue of circa £1 billion within 5 years
- Operational efficiency optimised by 2018, commencing 2016
- Return on capital employed >20% from 2016

4. **LANDBANK**
A strong landbank of sufficient length is essential to deliver sustainable financial returns and in that regard our land priorities are to:
- Meet our annual land buying volume targets at or above our target gross margin hurdle rate
- Ensure the majority of homes sold annually originate from our strategic landbank or from land acquired subject to delivery of planning permission
- Maintain a high quality, high margin landbank in premium locations

5. **HEALTH AND SAFETY**
The safety of our staff, subcontractors and customers is our primary concern and our priorities in this area are to:
- Promote a strong safety culture across the organisation
- Maintain a rigorous health and safety inspection regime
- Target zero accidents reportable under RIDDOR

6. **SUSTAINABILITY**
Our aim is to make a positive contribution to those affected by our business activities by:
- Adopting a consultative approach to our design and planning activities that engages local communities, interest groups and Local Authorities
- Creating attractive, well designed places that are seen as a valuable legacy for the communities in which we build
- Reducing the environmental impact of our offices and sites
- Maximising the impact and contribution of our new Sustainability Forum
OUR SUSTAINABILITY PLEDGE

For the team at CALA, sustainability is simply about people; our staff and the teams that work on our homes, our customers and the communities in which we operate. Our aim is to make a positive contribution to those affected by our business activities with a responsible approach to development that is ingrained in every stage of our process:

**THE LAND WE BUY**
We take a partnership approach with landowners, buying well-located sites and promoting sustainable and deliverable developments through the planning process.

**THE COMMUNITIES WE BUILD**
We engage with local communities on new developments, invest in local facilities and services and aim to leave a lasting legacy for future generations.

**THE HOMES WE CREATE**
We design high quality, sustainable homes that reflect and enhance their surroundings, with practical layouts and design details that will stand the test of time.

**THE SAFETY WE FOLLOW**
Safety is a major priority and we aim to create sites that are safe for our staff, considerate of our neighbours and sensitive to local ecology and wildlife.

**THE CUSTOMERS WE CARE FOR**
We are committed to providing an exceptional customer experience, with a professional, friendly and knowledgeable approach, from first enquiry to moving day and beyond.
WHAT WE ACHIEVED IN 2014/2015

Revenue: £511.6m
(2014: £285.4m)

Profit before tax: £50.9m
Before exceptional items and revaluations
(2014: £26.8m)

Homes Sales: 993
(2014: 743)

94.8% of waste from our building sites recycled
(2014: 93%)

67 New affordable homes delivered
(2014: 66)

£8.12m contributed to local community facilities and infrastructure
(2014: £4.25m)

76% of development on Brownfield Sites
(2014: 67%)

67 New affordable homes delivered
(2014: 66)

993 Homes Sales
(2014: 743)

12 NHBC Pride in the Job award-winning site managers
(2014: 7)

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12 NHBC Pride in the Job award-winning site managers
(2014: 7)

2015 Named Scottish Housebuilder of the Year

£115,000 in training and development for our employees
(2014: £100,000)

5 Retained HBF Maximum 5 star rating for sixth year running

56 New sites contracted
(2014: 37)
OUR PLEDGE IN ACTION: LAND

Land is the most critical ingredient in delivering our business strategy. Our business model is founded on contracting or acquiring sufficient land in premium, sustainable, locations within our areas of operation at an optimal price.

CALA is committed to working closely with landowners, communities and local authorities to deliver attractive and sustainable homes in which people aspire to live. Rather than design our developments in isolation, we recognise the importance of engaging and working closely with local communities, interest groups and Local Authorities at the earliest possible stage of the planning process. We believe strongly in the benefit this brings to facilitating a better understanding and greater support for our development plans and for us to appreciate fully the things that matter most to local people.

In 2014/15, we contracted on 56 new sites which will deliver 2,434 homes. Although we are a national company, our network of regional offices allows us to develop a local perspective and take an individual approach to each site. Our ability to be flexible and to promote the right development solutions for each site is a key factor in obtaining community and Local Authority approval for our proposals and our approach is often commended as a result.

Our land teams are experienced and have a detailed understanding of sustainable development and the built environment. This has given CALA a successful track record in land acquisition and planning. We identify sites that are suitable for development and offer carefully tailored solutions that take into account the priorities of landowners, planners, the communities surrounding our new homes and our home buyers.

Government policy in both England and Scotland is focused on ensuring that sufficient homes are built to meet people’s needs. The National Planning Policy Framework (in England) and National Planning Framework (in Scotland) provide policy direction and CALA’s skilled land and planning teams work within that guidance to acquire sites that will gain planning permission and allow future development to go ahead.

This year over three quarters of the homes we built were on brownfield land and, where necessary, we undertake complex remediation, demolition and engineering works to prepare the ground for housing development. This often involves the laying out of new green open space for public use.

We aim to get our developments underway as soon as possible and all sites in our landbank are put into production once planning permission is granted and all other necessary consents are in place.

2015 AT A GLANCE

- 56 NEW SITES CONTRACTED
- 76% OF DEVELOPMENT ON BROWNFIELD SITES
- PLANNING PERMISSION FOR 2,853 HOMES
- 67 NEW AFFORDABLE HOMES DELIVERED
- 43% OF PLANNING CONSENTS FROM OUR STRATEGIC LAND BANK
FOCUS FOR 2015/16

• As an expanding business we aim to continue to increase the number and development value of the sites contracted in the year 2015/16

• We will continue to ensure construction starts within six months on all sites which have the necessary consents in place

• We have a strong commitment to the delivery of affordable homes and will work with our partners in the housing association sector to deliver more affordable homes

WHAT WE ACHIEVED IN 2014/15

• In 2014/15 increased our number of contracted sites significantly, securing 56 new sites (in 2013/14 we secured 37 new sites)

• All sites contracted are assessed thoroughly by our skilled regional teams and trusted advisors to take account of their planning prospects and the sustainability of the location. Each site is then reviewed by a committee comprising the Chief Executive and senior team before acquisition. All sites to start within six months once there are no planning or other barriers to development.
Since 2013 CALA has been building homes at Fairmilehead, with the development now nearing completion. Formerly one of the main waterworks for the City of Edinburgh, redevelopment of this brown field site commenced with major engineering works to demolish and fill the water tanks and prepare the site for house building.

CALA’s development comprises 97 new homes, which have appealed to a wide variety of purchasers with sizes ranging from two bedroom apartments through to large 5 bedroom detached family homes, with open spaces, mature trees and a new children’s play area.

The development in a sustainable location, just three miles south of the centre of Edinburgh and with excellent public transport links and local facilities, but also enjoying scenic views to the Pentland Hills.
For every site, we identify and evaluate the impact of our development proposals and ensure appropriate mitigation procedures are put in place. We plan for sustainable homes that are effectively linked to local transport networks. We give careful consideration to connections to public transport, for example, building new footpaths to bus stops where required. For larger sites we plan for transport improvements, from new junctions and crossings to major infrastructure such as roundabouts and bypass roads.

In 2014/15, over three quarters, 76% (2014: 67%) of our homes were built on brownfield land and, wherever we build, we take our responsibility for protecting wildlife, watercourses, neighbouring land and property very seriously. Developments are sympathetic to local architectural heritage, reflective of the style of surrounding properties and promote a strong sense of community spirit.

We appreciate that the construction of new homes can affect those living and working in the immediate area and we aim to keep noise and disruption during the construction phase to a minimum. We communicate with local residents to inform them of the nature and duration of forthcoming work which is likely to impact on people locally.

Our homes feature excellent thermal insulation and clever use of renewable technologies including solar PV, solar thermal and air source heating. In 2014/15 48% of the homes we built were fitted with a smart meter to help homeowners to better understand and monitor their energy usage. Integrated recycling bins were fitted in the kitchens of 50% of homes and 54% of homes are provided with a garage, shed or other cycle storage.

In 2014/15 62 (2014: 68) of our homes were built with renewable energy components. 100% of the homes we built used some responsibly sourced materials (complying with BRE’s Framework BES6001).

We also aim to reduce our carbon footprint by reducing energy consumption in our offices and controlling the use of diesel, electricity and water on our sites.
CALA has a ‘fabric’ first approach to building sustainable homes, paying attention to features such as high quality insulation and high performing windows, doors and lintels to ensure properties have a thermal performance that far exceeds that required by building regulations.

We have waste reduction plans across the business and aim to recycle and reuse as much as possible. The year to 30 June 2015 saw 94.8% (2014:93%) of construction waste on our sites recycled.

We have excelled in many areas and have put a number of initiatives in place including:

- The use of sustainable urban drainage systems (SUDS) on all sites
- A commitment to protecting wildlife and not just as the result of planning requirements. Examples include the creation of wildlife corridors in larger developments, safe rehoming of great crested newts and bird and bat boxes to protect local, indigenous species
- Timber kits for timber frame houses (where built) from sustainable sources
- Commitment to research, monitoring and implementation of evolving renewable technology to provide customer-friendly, low maintenance and cost effective solutions that will assist our drive for energy efficient homes and reduce our customer’s energy bills

Each CALA development aims to make a positive contribution to the local built environment through attractive landscaping and the creation of new green spaces that bring communities together.

We work with local planning authorities to preserve and protect precious wildlife, trees and other heritage features. We minimise the environmental impact of our developments by creating homes that encourage our purchasers to live in an ecologically-friendly way, and at the same time enable them to benefit from lower energy costs.

We design our developments to encourage pedestrian journeys and the use of bicycles. Our homes are created with sustainability in mind, making use of solar energy where appropriate and maximising natural light to reduce the use of electricity.

Communication and training, both with our own employees and our subcontractor partners, ensures that environmental issues stay high on the agenda within the CALA business. Our environmental policy statement is communicated throughout the organisation and is publicly available. Environmental issues are also included in all board meetings and our performance is part of our annual report.
NEW HOMES FOR LOCAL WILDLIFE

CALA Homes helped to protect Essex wildlife by encouraging purchasers and residents at its Trueloves Grange Development to make their gardens a haven for nature.

CALA supported the wildlife charity RSPB and its Give Nature a Home campaign by providing each new home owner with a selection of wildlife habitats for birds, insects and hedgehogs. The kits included two bird nest boxes, a ladybird bug house and a hodgat hog shelter, all are made from regulated timber and aim to provide a safe retreat for local wildlife.

FOCUS FOR 2015/16

• We will complete our first Energy Savings Opportunity Scheme (ESOS) assessment which will provide us with a benchmark against which to measure and reduce our energy consumption.

• We will investigate water usage in offices and on-site and review ways usage could be reduced.
OUR PLEDGE IN ACTION: COMMUNITY

At CALA, we take a proactive role in local communities and always aim to have a positive impact in the areas in which we operate. This begins at a very early stage, before we even begin to design our developments. We see planning as a collaborative process between local communities, the local planning authority and our teams.

WE CONSULTED WITH COMMUNITIES ON 84% OF SITES WHERE NEW PLANNING PERMISSION WAS OBTAINED

We have an experienced and specialist team working on every new proposal to ensure we design the best possible development solution for the location. We also involve a trusted team of independent expert advisors who provide us with specialist advice, where necessary, on a range of issues such as highways, ecology and landscape.

We hold community consultation events for all developments of more than 40 new homes and communicate with the local community on smaller developments where appropriate. In areas where a neighbourhood plan exists, we will engage with the plan team on the sites we are promoting for development. In 2014/15, community consultation was carried out on 63% of the sites on which we received planning permission.

Our initial plans for a development are presented at consultation events where local people can come and meet the CALA team. Information is also uploaded on our website where feedback can also be submitted.

All responses from the local community during the consultation process are taken into consideration before submitting our planning application to the local authority. We listen to any local concerns and reservations and address them wherever we can.

Details of our community consultation activity, the feedback we receive and the actions taken as a result are submitted as part of our planning application.
COMMUNITY CONTRIBUTIONS

It is important to us at CALA that the new homes we build become part of the communities where they are located. In discussion with the relevant planning authority, we make substantial investments in improvements to services, facilities and infrastructure in areas where we are developing new homes.

In 2014/15 we contributed over £8 million (2014: £4.25m) to local community facilities and infrastructure through planning agreements, this does not include the contributions made through the provision of affordable housing.

COMMUNITY PROJECTS

CALA Homes always looks to make a positive difference by supporting local communities – both near our developments and across our network of offices. We regularly partner with local schools and colleges to provide sponsorship, hold site visits and talks and contribute to educational fundraising. We support local sports clubs at both junior and senior level as well as local charities and fundraising appeals.

In 2014/15 we contributed over £100,000 to community, school and charity initiatives across our regions through donations and staff fundraising. In each of our regions we work with local communities to identify projects, causes and opportunities. Overleaf is a small selection of the work we have undertaken in 2014/15.

CONTRIBUTIONS AT A GLANCE

- £2.4M TRANSPORT IMPROVEMENTS
- £3.0M EDUCATION
- £0.5M OPEN SPACE CONTRIBUTIONS
- £0.56M COMMUNITY FACILITIES
- £1.25M COMMUNITY ART
Balfron High School now has a defibrillator on its premises thanks to a donation from CALA to the Trossachs Search and Rescue Team, which allowed the charity to buy the potentially life-saving equipment and install it at the school.

CALA Homes pledged their support for the heating appeal at St Peter’s Church, Wellesbourne at the beginning of the year and delivered their gift upon the completion of the homes at the Long Ground development on Lowes Lane, Wellesbourne.

CALA Homes has been working with a team of archaeologists from Pre-Construct Archaeology Ltd (PCA) who have found the earliest discovery on the site to be a human burial dating back to Early Bronze Age. Year 9 pupils from The Henry Beaufort Secondary School in Harestock, Winchester were given the opportunity to visit an archaeological dig at CALA Homes’ Barton Farm development in Winchester and to watch the archaeologists work on the site. The team have been working since January investigating pre-historic, Roman and 18th century remains which span a period of over 4,000 years.

CALA Homes has celebrated the opening of its new Millbrook Park development in Mill Hill by inviting local school children to help bury a time capsule on site. Included in the time capsule was the CALA Homes at Millbrook Park sales brochure and price list and a hi-vis jacket signed by members of staff from CALA’s North Home Counties region. Children from Millbrook Park CofE Primary School included a copy of their first class photograph, items of school uniform, favourite sweet wrappers and letters written to the children of the future.

CALA Homes supporting Scottish Tennis Holidays events in Scotland. The initiative to eradicate tennis’ elitist status has also received backing from Scottish tennis coach Judy Murray.

CALA Homes (North) has raised almost £2,250 for Northsound Cash for Kids after members of staff took part in the Colour Me Rad 5k fun run in Aberdeen. A team of seven braved the barrage of colour bombs and cannons to complete the 5k course at the Beach Boulevard. The region has worked closely with Northsound Cash for Kids over the past year, including supporting the charity’s last Mission Christmas appeal by donating a selection of gifts for underprivileged children.

CALA Homes has celebrated the opening of its new Millbrook Park development in Mill Hill by inviting local school children to help bury a time capsule on site. Included in the time capsule was the CALA Homes at Millbrook Park sales brochure and price list and a hi-vis jacket signed by members of staff from CALA’s North Home Counties region. Children from Millbrook Park CofE Primary School included a copy of their first class photograph, items of school uniform, favourite sweet wrappers and letters written to the children of the future.

Three CALA teams took part in this year’s Caledonian Challenge, raising a total of over £20,000 for Foundation Scotland.
FOCUS FOR 2015/16

• Increase our contribution to the communities we operate in
• Continue to communicate with local communities about our plans for sites
• Investigate ways to better support charitable and community activities in all regions across the group
OUR PLEDGE IN ACTION: DESIGN

At CALA, every new home we build is an opportunity to realise a vision of design excellence. From carefully considered master plans, through elegant home exteriors, to the professionally crafted and expertly detailed interiors, design is at the heart of everything we do.

Our design ethos is shaped by the desire to create homes and communities that reflect and enhance their setting and meet the needs of modern family life. We work closely with local planners and communities to ensure that the look of our homes and the materials we use are sympathetic to the local environment.

We also keep customers’ needs at the forefront of our minds, maximising light and space and creating practical living spaces from large kitchens with formal dining and relaxed family areas to bedrooms with separate ensuites and dressing areas.

The design features and details that our customers love can be found across our range of homes but we also design individual properties when a more bespoke approach is needed. We pay particular attention to quality and detail with high ceilings, wide hallways, generous storage, subtle recessed lighting and quality fixtures and fittings.

Our approach to design is constantly evolving in response to market trends, customer feedback and new legislation.

FOCUS FOR 2015/16

- Introduce and deliver into the regions a Light & Space Collection of CALA house types. The Light & Space Collection will incorporate a revised Signature Range in Scotland and a new range of house types in England
- Refine and develop group specifications and our Group Procurement Strategy to deliver greater harmony and a more finely tuned product with greater consistency across the CALA Group
- Implement the use of the Group Design Code to ensure the delivery of high quality design on developments which respect ‘the CALA way’ wherever possible
- Introduce the ‘Building for Life 12’ design criteria to the regions and ensure that new scheme plans are developed considering and respecting these important design criteria
SUSTAINABLE DESIGN

We use the latest building materials and techniques to ensure that our homes are sustainable and energy efficient. This means lower bills for our homeowners and less carbon emissions from their homes.

We specify our homes to include all or some of the following sustainable features which combine to reduce our use of scarce resources:

- A rated appliances to reduce water and energy use
- Dual flush mechanisms on toilets to reduce water use
- Low energy lighting reducing electric use
- PV solar panels to generate electricity
- Air source heat pumps to reduce the burning of fossil fuels
- Double glazing and high levels of internal insulation to reduce heat loss

SUSTAINABLE AND ENERGY EFFICIENT FEATURES IN ALL HOMES

- Passive infrared motion sensors for external and internal lighting to reduce electricity use
- Provision of recycling bins to encourage domestic recycling
- Provision of water butts to reduce water use

HOMES FOR LIFE

Our vision at CALA is to leave a legacy of high quality, timeless homes, in sustainable communities that will benefit both our customers today and future generations. By monitoring and anticipating lifestyle trends we aim to design homes that meet the changing needs of homeowners. We ‘future-proof’ our homes with faster internet and broadband speeds and design them to interact with smart television and mobile devices within the domestic environment.

We consider the functionality of every home we build and we plan flexibility to allow for storage, spaces to eat, playrooms, relaxation zones and home working facilities. We always think about the way people will live in our homes and do our best to ensure that each home has the flexibility to develop as our customers’ lives develop and their requirements change.

We have appointed a Group Product Director to focus on design and specification and strengthened and expanded the central design teams in Scotland and England with two appointments and an internal promotion.

The group specifications are now developed and in use in all eight CALA regions. The procurement and green product strategies are being finalised and will be implemented fully in 2015/16.

We will be introducing a Group Design code to deliver product consistency and high quality design across the group from September 2015.
One of CALA’s most important development objectives is to create a sense of place which augments the surrounding location, and displays a clear sense of character and design identity; Albert Dock in Edinburgh is an obvious showcase of this brief, offering the final piece in the regeneration of this area.

CALA’s Albert Dock development is located on the edge of the still operational Albert Dock and within the Leith Conservation Area. The gap site on the edge of the dock wall, had lain empty for years, declining into disrepair and becoming an overgrown eyesore within an otherwise thriving cosmopolitan area of the city. Located within the historic heart of the 19th century docks, this brownfield site links the working docks and the vibrant Shore area which has had significant investment in recent years, both commercially and residentially.

The completed development comprises 32 private townhouses and 10 Golden Share (affordable) homes which consist of 1 townhouse and 9 apartments.

The inspiration for design of Albert Dock is deeply rooted in the area’s history with the scale and materials utilised mirroring that of the traditional warehouse buildings that stood in this location.

The street has been designed as a meandering mews lane, offering a safe and idyllic ‘homezone’. A one-way traffic system provides a shared surface for both pedestrians and vehicles.

CALA also repaired the dockside itself, allowing pedestrians to once more use the walkway along the dock edge as a public throughway. CALA has regenerated the listed dock wall, bollards, walkway and historical tramlines into a public, useable space which is cleverly linked in the development design scheme. The harbour wall was also renovated so that this remains attractive and welcoming for community.

CALA realises the vital importance of this development’s location in its overall design and throughout the process has continued to link back to its historical beginnings as a working dock. We commissioned a contemporary chain artwork sculpture to connect the development with the ships and cranes that surround it on the water’s edge which is a welcome addition to the decorative yet industrial themed ironmongery that can be found elsewhere within the area.

We refurbished the listed crane tracks formally used by the now listed moveable cranes which are permanently positioned to the east of the development. Renovation and reinstatement of the chains and bollards to the dock edge, again connects and rebuilds the character of this location.

The regeneration achievement was further cemented with the development recently earning Gold in the ‘Best Brownfield’ category at the What House? Awards in 2014 and ‘Best Large Development’ at the Homes for Scotland Awards in 2015 – praised for its urban regeneration and noticeable revival of the surrounding area.
CA1A Homes have been working directly with the BRE to assist in the development of the Housing Quality Mark and are proud to have assisted in the initial concept of this potential national scheme.

The Home Quality Mark has been designed to display a national mark that will give people buying or renting new homes the confidence that they are choosing a well built, cost-effective home that is designed and built to exceed expectations.

Should it be implemented it will give developers an opportunity to showcase homes by displaying an overall star rating where they have taken part, the scheme will also highlight to home owners further positive indicators focusing on ‘My Cost, My Wellbeing and My Footprint’.
We continue to work with local authorities and affordable housing partners to deliver homes targeted at those in need.

Over the last three years we have completed an average of 862 homes a year of which 11% have been affordable delivered as part of a planning obligation. This relatively low proportion is principally as a result of delivering sites that were acquired or achieved planning when the market was less buoyant. Over the coming 3 years this is forecast to rise to up to 30%.

We have delivered properties for rent, shared ownership and discounted in perpetuity for local people unable to afford to rent or buy on the open market. Our standardised specification and growing range of affordable standard house types respond to the social housing industry’s varied needs whilst allowing scheme by scheme flexibility where necessary.

The work of our Affordable Housing Director not only focuses on the planning and delivery of affordable homes across the group at site level, but also looks to explore new ways to deliver affordable housing in line with central government thinking, including the Starter Home Initiative and Extra Care provision. There is a continuing shortage of high quality affordable homes across our operating areas and we see it as our responsibility to play our part in helping to increase supply where possible.

We continue to work with local residents, groups and appointed representatives to ensure we plan and deliver homes that are needed, both in terms of their size and financial accessibility.

### Our Pledge in Action: Affordable Homes

**What We Achieved - Update on 2014/15**

- We have started on site in Reading with a mixed tenure scheme for extra care with shared facilities including a lounge and kitchen where 30 self-contained apartments will be let at affordable rents and 30 will be sold on a shared ownership basis. This is in addition to 22 homes for general needs rent.

- We have begun work on a 14 home scheme in the London Borough of Barnet as part of a wider multiphase scheme for a small Registered Provider whose tenants are reflective of a general ethnic mix but maintain strong links with Jewish communities.

- We have made significant inroads to helping local authorities to maximise the provision of affordable housing by emphasising low cost home ownership financial models to make them more accessible to those on lower incomes.
CASE STUDY

BULMERSHE CAMPUS

CALA purchased the former Bulmershe Campus site in Reading with an existing planning consent which incorporated an obligation to provide traditional general needs affordable housing. Due to the close working relationship we had already established with Wokingham Borough Council it was agreed that in a response to overwhelming need in the Borough, that CALA should re-plan part of the site to accommodate an Extra Care scheme.

The scheme is unusual as it provides an equal spit of subsidised rent and shared ownership tenures across its 60 apartments as well as providing an on site exercise area, hairdressing facility, dining room, lounge and accommodation for resident staff. This is now on site and due for completion in mid 2017.

With the excellent partnership work of CALA and Wokingham Borough Council we are now able to ensure the scheme meets the needs of Wokingham residents.

JILL CARESS, GROUP BUSINESS DEVELOPMENT DIRECTOR, HOUSING SOLUTIONS

FOCUS FOR 2015/16

• To increase the supply of affordable housing whilst maintaining quality and affordability
• To work with local authorities and registered providers to maintain and increase delivery of affordable homes despite significant challenges to their business models brought about by central government policies such as rent-reduction strategies and increased Right to Buy legislation
• To protect our own viability and production rates by working with government to unlock supply through planning agreements as the social housing sector adjusts to new ways of working
Effective management of health and safety is inherent in our culture and an integral part of our day-to-day business operations. We work closely with our employees and contractors across our regional offices and site locations to promote a cooperative, partnership approach that is vital in ensuring we maintain our excellent health and safety record.

The health and safety of our employees, subcontractors and customers is always the first concern of the board and we are committed to ensuring that everyone who visits our sites and offices is able to carry out their duties safely. The day-to-day management of all health and safety activities is conducted by our director of health and safety. Graham Reid is the main board director responsible for health and safety throughout the group.

We operate a comprehensive health and safety management system, which includes monitoring, staff training and management reporting. Frequent on-site inspections are carried out by our own qualified staff who also provide forward planning and coaching support to our site teams.

All health and safety issues, including matters arising from on-site inspections, are reported to the board for consideration on a regular basis. The board has a zero-accident target and whilst it is satisfied with the overall health and safety performance during the year, it is disappointed with the increase in CALA’s Annual Injury Incidence Rate (‘AIIR’) for the year to 31 March 2015. The AIIR was 464 incidents per 100,000 employees (2014: 436) which reflects a rise in the number of injuries reportable under RIDDOR from 7 to 13, although this is from significantly greater site activity.

Disappointingly, two RIDDOR specified injuries were reported during the year to 30 June 2015 (2014: one). There were no fatalities (2014: nil).

During the year we received one HSE Enforcement Notice issued to one of our sites for non-compliance with health and safety legislation and corrective action was immediately taken (2014: nil).
OUR HEALTH AND SAFETY PLEDGE

- To comply with the Health and Safety at Work etc. Act 1974 and associated legislation and set standards above the minimum requirements
- To pursue a systematic, planned approach to the identification of hazards, assessing associated risks, and implementing suitable control measures where necessary
- To provide the necessary resources to reduce the risks to the health and safety of our employees, self-employed, clients, contractors and the public
- To ensure the provision of premises, plant, equipment and systems of work that contribute to a safe and healthy working environment
- To provide information, instruction, training and supervision necessary for employees to undertake work tasks competently and safely
- To ensure effective consultation and communication with all employees on all health and safety matters
- To regularly review, monitor and audit the effectiveness of the Health and Safety Policy and undertake to improve/amend where necessary
- To engage business partners who have the same Health and Safety ethos as CALA and check their competency levels in regard to their approach to the management of health and safety issues

A PROACTIVE APPROACH

Our commitment to maintaining the highest standards of health and safety is reinforced by the investment we make in ensuring our own staff, and our subcontractor partners, understand their health and safety responsibilities and have the resources, knowledge and capability to carry out their roles safely.

Our commitment to maintaining the highest standards of health and safety is reinforced by the investment we make in ensuring our own staff and subcontractors are fully aware of their responsibilities and that they have the resources, knowledge and capability to carry out their roles safely. To that end in the 12 months to 30 June 2015 we increased significantly the number of health and safety training days delivered to 1,031 (2014: 477).

In light of the increase in our site activity and the number of accidents during the year several initiatives have been extended or introduced which include further work with subcontractors on avoiding existing utilities on-site and behavioural safety training. We have also provided comprehensive training and guidance to our teams on the CDM 2015 regulations as well as overhauling our construction health and safety plans. Additionally at our Millbrook Park development in Mill Hill we have introduced monthly language lessons focusing on health and safety site vocabulary to help ensure that workers from Eastern Europe have the language skills required to be safe on-site.

Health and safety is the first item on the agenda at every CALA board and management meeting and latest results are measured against internal key performance indicators (KPIs). Group standards and KPIs, set by us, significantly exceed the minimum required by legislation.

COMMUNICATION

We have created internal communications programmes and initiatives designed to empower individuals on site to take ownership of health and safety before it becomes an issue.

The introduction of a confidential, free telephone number and email address has enabled employees or subcontractors to report any health and safety concerns anonymously with the knowledge that they will be investigated fully.
The Gail’s Shoes initiative was designed to empower individuals on-site to take ownership of Health and Safety. The behavioural safety programme focuses on the personal story of fictional characters Fraser and Gail McCallum. The story is three short films; Fraser’s story, Gail’s story and interviews with work colleagues. The films highlight from the outset Fraser’s poor approach to safety on site which in turn leads to his behaviour resulting in an electrical accident that caused severe burns and disfigurement.

It also looks more into the unseen issues such as the effects of the accident on family, friends and work colleagues, highlighting to everyone that their choices on site affect others. The training has been accepted well by both CALA staff and by the subcontractors on-site with a number of the subcontractors requesting the training for all operatives within their company.

On completion of the training participants are given a sticker showing a pair of red high heeled shoes. This is designed to be placed on the back of their hard hat to show that they have completed the training and to act as a talking point on site for others who may not have attended the course. It also reminds those who have attended the course of the potential consequences of the choices they make at work.
The quality of what we deliver to our customers and the way in which we service and care for them is the key driver for our business. A commitment to customer service excellence is part of our culture, from the design and finish of our homes to the house buying process and post-occupation experience.

We have our own Customer Charter which outlines what our customers can expect when they buy a new home from CALA and we work hard to exceed that expectation. This year we appointed a Group Customer Services Director to focus on the delivery of customer service excellence across the group.

**THE HOUSE BUYING PROCESS**

Delivering a great experience to our customer relies on consistently high standards at every stage of our build process and it starts with the skill, care and attention shown by our site teams. In 2015, 12 site managers received an NHBC Pride in the Job Quality Award which recognises the highest standards in housebuilding.

CALA is also committed to making the purchase and move-in process straightforward, informative and uncomplicated. CALA adopts the Consumer Code for Homebuilders which promotes fair treatment, the provision of reliable information, ensures purchasers know what service levels to expect and provides access to a dispute resolution scheme. In addition, CALA has its own Customer Charter which details, from the outset, the service our customers can expect when they buy a CALA home.

CALA ensures that our customers continue to receive a quality service even after they’ve moved into their new home. Our dedicated customer service managers will contact homeowners shortly after completion to ensure everything in their home meets their expectations and answer any queries they may have. In addition, every customer will receive around the clock ‘emergency’ care to ensure that any issues are dealt with both inside and outside of normal working hours. All our homes come with a ten year warranty, the first two years of which are covered by CALA.

**OUR PLEDGE IN ACTION: OUR CUSTOMERS**

2015 AT A GLANCE

- Retained HBF Maximum 5 Star Rating for Sixth Year Running
- Overall Satisfaction Score of 89
- 96% of our customers said they would recommend CALA
- 12 NHBC Award-winning Site Managers
- Scottish Housebuilder of the Year
EXTERNAL BENCHMARKING

We undertake external benchmarking to measure our performance and provide feedback to help us drive our standards ever higher. For the 12 months to 31 March 2015 we achieved an overall satisfaction score of 89 (2014: 90) as measured by customer surveys undertaken by external consultants In-house Research and 96% (2014: 98%) of our customers said they would recommend CALA. During the year we also retained the maximum 5-star rating in the HBF National New Home Customer Satisfaction Survey which we have now held for each of the last six years. Although our scores have dropped very slightly in the last twelve months, they have been consistently high for a number of years, continue to be industry leading and are particularly impressive in light of our significant growth over this period.

FOCUS FOR 2015/16

- Continue to provide industry leading service to our customers
- Deliver high quality, well designed homes to our customers
- Maintain our 5-star rating in the HBF National New Home Customer Satisfaction Survey

12 AWARDS-WINNING SITE MANAGERS
NAMED SCOTTISH HOUSEBUILDER OF THE YEAR 2015
FIVE STARS FOR CUSTOMER SERVICES FOR THE SIXTH CONSECUTIVE YEAR
When Steven Obergan and Sophie Clark decided to sell their flat in London and move to Buckinghamshire, they had a very important deadline to meet, the due date of their first child.

Steven and Sophie put their flat on the market when Sophie was five months pregnant and, thanks to CALA Homes’ part exchange service, they have moved into a brand new four bedroom property on the Chiltern Grange development in Chesham.

Part exchange helped the couple to make sure they met their deadline; they were moved into their new CALA home when Sophie was eight months pregnant.

“CALA continued to look after us after we moved in. I happened to mention to the site team that our next job was to get rid of all the packing boxes and within five minutes someone had arrived with a forklift truck to take them away for us. The customer service is unbelievable.”

MR OBERGAN
OUR PLEDGE IN ACTION: OUR PEOPLE

CALA is a company that values its people. We understand that our success relies on the passion, quality, and hard work of our teams. We are always striving for improvement and expect excellence in all that we do, but we ensure that we train, develop and coach our people to help them to meet the challenges they face in their roles.

CALA has grown substantially over the last three years, both organically and through the acquisition of Banner Homes. During 2014 we recruited 140 full time employees and to the end of June 2015 we have recruited another 100.

We don’t just recruit externally though, where opportunities are available we promote from within which is one of the reasons we have such a long serving workforce underpinning our growth, especially in Scotland where annual turnover of staff is impressively low at under 9% for the 12 months to end June 2015. So far in 2015 we have made 39 internal promotions.

However, our impact goes beyond the growth in direct employees as the nature of our business means that we work with a large number of subcontractors across a variety of disciplines. Our growth and success has also allowed these businesses to grow. In 2015 we have held key subcontractor update events in our North and East Scottish regions, informing them about our growth plans, how we can work with them and asking for feedback on working with CALA. Positive feedback was received across the board, with particular praise for the way we treat subcontractors as employees, the high standards of Health & Safety and the pride felt in the quality of the end product.

In order to maintain our position as the UK’s most upmarket major homebuilder we need to attract and retain the best people. We do this by creating a great place to work, by engaging with our employees and by giving them the opportunity to make a difference. Employees are recognised and rewarded for the jobs they do and we invest in their on-going development.

OUR CULTURE

We are committed to providing an inclusive working environment, where everyone feels valued and
respected. Our culture is a key ingredient in our ability to attract and retain excellent people and for the business to deliver to its potential. We encourage people to make a difference, pushing responsibility and decision-making further down the organisation in an open and supportive environment.

We are mindful of the challenge we face in a fast growing business to retain the culture we value so highly and this will remain a key focus as we expand.

Our Brand Values House sets out our vision for the CALA brand, our aims and goals as a company and the values of our people.

ENGAGING WITH OUR EMPLOYEES

We believe it is essential to engage and communicate effectively with our staff and to that end we provide regular updates on company developments, news and financial performance via e-mail and our intranet.

Regular staff briefings are hosted at our regional and head offices to provide an update on how the business is performing and where it is going. In addition, we bring all our employees together for an annual staff conference which provides an opportunity for them to hear about the group’s plans and vision for the future. It is also a chance for staff to put questions to the management team via an open Q&A session.

Individually and collectively, our directors visit our operating regions and sites frequently and engage with employees on a one-to-one basis in order to get feedback from our people and keep their finger on the pulse of the business.

OUR FIRST STAFF CULTURE SURVEY

In 2015 we completed our first staff culture survey. The survey was completed by 90% of employees which is an outstanding result. We outperformed the UK country benchmark group in all but 2 areas, exceeding it considerably in a number of the top scoring questions, whilst just missing the benchmark in our 2 lower scoring areas.

RECOGNISING AND REWARDING OUR STAFF

We reward our staff with a benefits package that includes:

- Childcare vouchers
- Bike to work schemes
- Hotel discounts
- Enhanced paternity and maternity pay
- Buying and selling holidays
- Private health care
- Discretionary bonus
- Opportunities to win a week’s stay at the company’s holiday home
- Access to a confidential employee assistance programme that offers telephone support, advice and counselling
INVESTING AND DEVELOPING OUR PEOPLE

We have a dedicated Group Training & Development Manager to support the business and have recently made improvements to our online induction and training portal to ensure it supports development of individuals. Performance Development Review’s (PDR) assist us in the identification of training needs and in employee development.

We are currently supporting 14 staff through Higher and further education qualifications and have a number of staff with personal development plans as part of our succession planning strategy.

In support of staff development across the group, we have invested over £115k during 2014-15 and delivered 579 training days. This does not include coaching and training delivered internally including Health and Safety toolbox talks and on the job training from our dedicated Health and Safety team for CALA and subcontracted staff which accounts for an additional 1,031 days.

ADDRESSING AN INDUSTRY SKILLS SHORTAGE

We are acutely aware of the need to replenish the skills lost to our industry over the past few years and have implemented a number of programmes to help to address this.

We currently employ four people directly as apprentices in Construction and IT and there are 11 other trainees in the business, across IT, Construction and Sales. In 2015 we have also launched a subcontractor apprenticeship sponsorship scheme in two of our Scottish regions. Although the apprentices remain employees of the contractor, we oversee their training as a management team and as part of this commitment to ‘sponsor’ apprentices through subcontractors, CALA meets half the costs of the salary while the apprentice works on CALA sites.

This year 12 new graduates joined the business as part of our Graduate Development programme; these were all entry level roles across a number of disciplines. Additionally, 5 staff from within the business are also on programme.

We also accept university student placements to offer experience and insight of our industry. We have taken on seven placements since January 2015.

We participated in the Princes Trust ‘Get into Housebuilding’ programme in two of our Scottish regions, offering work placements to potential apprentices, and are currently investigating strengthening this relationship across the group. We also support the Construction Industry Training Board (CITB) apprenticeship programme as well as working with local colleges and schools.

Investing in new talent for the future is key to the business remaining open to new thinking and fresh ideas and creating the next generation of managers and leaders.

FOCUS FOR 2015/16

Our success as a company relies on the dedication, commitment and talent of our teams. To facilitate their delivery in a competitive and challenging environment we will:

• Continue to develop, coach and provide training to our employees to ensure they can meet the challenges of their role
• Protect our culture that empowers our staff and nurtures high performance
• Invest in our benefits package
• Recruit more new graduates to join our 2016 Graduate Development Programme
• Increase our intake of apprentices and help up skill the industry
CALA’S TWO NEW RECRUITS AT MILLBROOK PARK

Two teenagers from the London Borough of Barnet have been taken on by CALA at their development in Mill Hill. Bradley Smith is an apprentice carpenter working on site three days a week.

Miss Isse, a painter and decorator was offered the option of an apprenticeship position, but instead accepted the offer of a job.

I’m in my second year at Oaklands College in St Albans. I spend two days a week there but the rest of the time I work on site and I love it. The best thing about it is working with other carpenters on site.

BRADLEY SMITH

I went to Graeme Park College in Mill Hill and got my level 1 and 2 Painting and Decorating qualifications and this is my first contract after college. I am really enjoying it so far – the team have made me feel so welcome.

MISS ISSE
This year we have supported the Crags Young Leaders Programme, offering the chance for young people to get involved in a nine month programme providing them with real world industry experience. The aim of this was to provide core business skills to a group of young people who were running their own social enterprise to develop ideas aimed at increasing revenue for the Crags Community Sports Centre to help secure its long term future. The event involved staff from our own Land, Sales, Customer Service and HR teams as a development experience for both sides.

As part of this process, the teams took part in a Dragon’s Den style pitch, where their ideas were scrutinised by a panel of Board Directors and trustees from both the Crags Community Sports Centre and CALA Homes.

“The passion, drive and ingenuity displayed by the young people has been truly inspiring and with a little help from the mentors their visions have been transformed into real life feasible projects.”

Simon Turner, Crags Development Manager
OUR PLEDGE IN ACTION: GOVERNANCE

The group is committed to achieving and maintaining a high standard of corporate governance and although not a listed company, the board applies many of the provisions of the UK Corporate Governance Code in the way in which it operates.

ORGANISATION STRUCTURE
An Executive board dealing with matters of policy and an Operations board responsible for delivery of the group’s business strategy are in place.

The group is organised into eight regional divisions which are separate business units. These divisions are run by local boards of directors which include the Group Chief Executive and Group Finance Director. Clear reporting lines have been put in place as well as appropriate levels of delegation with major decisions being escalated to the Operations or Executive boards.

A Contract Authority Group is in place which includes the Group Chief Executive, Group Finance Director, Group Land Director and the two Regional Chairmen. This body provides an important control by reviewing and sanctioning all land acquisition and development commencement proposals following a rigorous due diligence process by the regional teams.

WHISTLEBLOWING POLICY
This policy has put in place a confidential method of communication for employees to raise matters of concern and for such matters to be properly and independently investigated. It is the role of the Chairman of the Audit and Risk Committee to oversee this policy and to act as one of the channels of communication in the event of a matter being raised.

ANTI-CORRUPTION POLICIES
The group has an anti-money laundering policy and an anti-bribery policy with relevant ancillary policies and processes including those dealing with gifts, hospitality and expenses. In addition to bringing the policies to the attention of staff and suppliers of services to the group, all staff undertake an online training module covering the Bribery Act and further appropriate training using a risk based approach continues to ensure that all staff, including the non-executive directors, are aware of the legislation and the zero tolerance approach taken by the group. In addition, regular training on the anti-money laundering processes is undertaken by all sales staff.
COMPETITION POLICY
The group’s competition manual containing the policy and procedures to ensure compliance with competition legislation was reviewed and reissued during the year.

BOARD COMMITTEES
The board has delegated certain responsibilities to board committees with agreed terms of reference. These committees report regularly to the board.

THE AUDIT AND RISK COMMITTEE
The Audit and Risk Committee is chaired by Jonatas Szkurnik and Phil Bayliss is a member of the Committee. The Audit and Risk Committee meets at least three times per year. The Audit and Risk Committee assists the board in fulfilling its oversight responsibilities relating primarily to the consideration of financial information being reported, the system of internal control including internal audit programme, risk management system and the external audit process. The Group Finance Director, the General Counsel & Group Company Secretary and the Director of Internal Audit attend all meetings. The external auditors attend at least two meetings per year. During the financial year the Committee met on five occasions.

THE REMUNERATION COMMITTEE
The Remuneration Committee is attended by the Acting Chairman, Mark Collins, and Paul Stanworth. John Pollock sat on the committee until his resignation in May 2015 and has been replaced by Paul Stanworth. The Group Chief Executive is also a member of the Committee. The Human Resources Director, the Group Finance Director and the General Counsel & Group Company Secretary attend, as appropriate, at the request of the Committee Chairman. The Committee meets at least twice a year and ensures that the executive directors and senior management are appropriately rewarded having regard to the financial performance of the group. During the financial year the Committee met on five occasions.

THE NOMINATION COMMITTEE
During the year, the board established a Nomination Committee to review the structure, composition and diversity of the board including succession planning. The Committee is chaired by Acting Chairman, Mark Collins. Geoffrey Timms is the Legal & General nominated member of the Committee and the Group Chief Executive is also a member of the Committee. The Committee meets at least twice a year and during the financial year the Committee met on one occasion since it was set up.

For more information on our Corporation Governance please see our 2014/2015 Annual Report at www.cala.co.uk/cala-group/our-company/financials
OUR PLEDGE IN ACTION: RISK MANAGEMENT

The successful operation of the business and execution of the group’s strategy are subject to a number of significant risks. It is vital that these risks are understood and considered fully in all decision making.

The board has in place a risk management system for the group, each of its operating divisions, the IT function and land acquisition process. The aim being to highlight, manage and reduce the principal risks to which the group is exposed.

Risks are assessed and formally reviewed on a regular basis to ensure that the group is fully aware of its potential impact on the business. The controls in place to manage identified risks are also reviewed to ensure that they remain relevant and effective.

Each regional operating division maintains its own risk matrix, which captures and evaluates the significant risks applicable to their particular business activities including the identification of key mitigation measures and any further action required. The risks are assessed at regular intervals by the regional management teams and the risk matrix is used at all regional board meetings to direct discussion to where it is most effective.

RISK APPETITE

The board has overall responsibility for determining the nature and extent of the risk it is willing to take and this is communicated clearly throughout the business.

In determining its appetite for risk the board is guided by the following key principles:

1. Risks should be consistent with CALA’s business strategy, financial objectives and core values.
2. Risks should only be accepted where there is sufficient, appropriate and measurable reward for taking the risk.
3. Risks should be monitored closely and actively managed with sufficient resource required for the task.
## RISK MANAGEMENT

The principal operating risks currently affecting the group, how they could impact business strategy and the key mitigation measures for each are described as follows:

<table>
<thead>
<tr>
<th>RISK</th>
<th>MITIGATION</th>
<th>CHANGE SINCE 2014</th>
<th>RISK MANAGEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HEALTH AND SAFETY</strong></td>
<td>Injury or death caused by unsafe practices operated on our sites or in our offices.</td>
<td>This risk is heightened during our current phase of significant volume growth and increased site activity.</td>
<td>RISK INCREASED</td>
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<td></td>
<td>We have a comprehensive health, safety and environmental management system in place. We have a positive and active safety culture throughout the group and proactively adapt our work practices to eliminate safety risks as they are identified. On-site safety compliance is monitored and reinforced through an in-house inspection regime and regular direct communication with subcontractors. We have a thorough training programme in place with minimum standards of competence that need to be attained based on position held.</td>
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<tr>
<td><strong>LAND SUPPLY</strong></td>
<td>Inability to maintain a timely and adequate supply of land that meets the group’s development and financial criteria.</td>
<td>The improving economic conditions and NPPF have increased the supply of land with permission leading to a more disciplined land market.</td>
<td>RISK DECREASED</td>
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<td></td>
<td>Regional land strategies and annual land targets have been established and are monitored and adapted to reflect local land market conditions. We have in place high calibre land teams with the appropriate skills, experience and motivation that are able to demonstrate a strong track record of delivery for landowners. Our strong financial position provides us with greater flexibility to secure more readily land opportunities as they become available in the land market. We operate with a strategic land portfolio that provides additional flexibility and supplements the flow of opportunities from the short term land market.</td>
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<tr>
<td><strong>SKILLED TRADESMEN</strong></td>
<td>Inability to maintain continuity of supply and quality of key trades on our sites.</td>
<td>The higher production rate of new homes has placed considerable strain on the capacity of key trades used by the housing industry.</td>
<td>RISK INCREASED</td>
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<td></td>
<td>We operate and manage a portfolio of approved subcontractors, many with whom we have long-standing relationships. Our construction and commercial teams review regularly our subcontractor base, seeking to add new partners to supplement our available resources where possible. We provide a safe and organised working environment that allows our subcontractors to work efficiently and we offer competitive rates of pay with prompt payment. We have launched our first trades apprenticeship initiative in partnership with key subcontractors to help enable new entrants to the industry.</td>
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<td><strong>KEY PERSONNEL</strong></td>
<td>The loss of key personnel and the inability to replace their skills and experience.</td>
<td>The housing industry has experienced a high level of staff turnover during the past year.</td>
<td>RISK INCREASED</td>
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<td></td>
<td>The group offers a positive, empowered, working culture. We have in place a succession strategy which includes capability assessments and development plans for key individuals. The group also operates a comprehensive benefits structure and a performance and personal development review system which are updated on a regular basis to ensure they remain effective.</td>
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<tr>
<td>RISK</td>
<td>MITIGATION</td>
<td>CHANGE SINCE 2014</td>
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<tr>
<td>PLANNING PERMISSION</td>
<td>The group manages its planning risk by working collaboratively with all key</td>
<td>The NPF has driven an increase in the number of planning permissions granted</td>
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<td>Securing appropriate and timely planning</td>
<td>stakeholders and decision makers, engaging in extensive local consultation.</td>
<td>but the time taken to clear site start conditions and to gain other statutory</td>
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<td>permission on sufficient development sites</td>
<td>We have high levels of skill and experience of the planning process within</td>
<td>consents has offset this.</td>
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<td>in our contracted landbank and from our</td>
<td>the business to ensure we only invest in opportunities with a strong chance</td>
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<td>strategic land portfolio.</td>
<td>of planning success.</td>
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<td></td>
<td>We are utilising the provisions and spirit of the NPF to secure a greater flow</td>
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<td></td>
<td>of planning permissions in England to meet the growing housing need.</td>
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<td>We incorporate planning uncertainties into our business planning as well as</td>
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<td></td>
<td>running a surplus of developments in our planning pipeline to protect against</td>
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<td></td>
<td>the risk of refusal or delays arising from the appeals process.</td>
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<td>PREMIUM BRAND AND REPUTATION</td>
<td>The group has in place a director responsible for product and customer</td>
<td>We continue to maintain a tight focus on this key metric for the group.</td>
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<td>The loss of our HBF 5 star customer service</td>
<td>service to review targets, performance and trends and ensure implementation</td>
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<td>rating would represent a significant reputational</td>
<td>of best practice across our operating regions.</td>
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<td>risk for the group.</td>
<td>Customer service delivery forms a material element of performance related</td>
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<td>pay for most employees in the group.</td>
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<td></td>
<td>A passion to deliver excellent service is embedded within the culture of</td>
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<td>the group and spread and reinforced at every opportunity.</td>
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<tr>
<td>GROWTH MANAGEMENT</td>
<td>We have in place an appropriate organisational structure with the requisite</td>
<td>Whilst CALA’s rate of volume growth continues, the full integration of Banner</td>
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<td>Inability to effectively manage our regional</td>
<td>skills and resources to deliver our plans, combined with the necessary</td>
<td>has been completed.</td>
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<td>businesses as we rapidly expand the size of the</td>
<td>oversight of operational activity.</td>
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<td>group.</td>
<td>The group has recently reviewed and documented a number of key processes and</td>
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<td>controls to ensure they are sufficiently clear and robust to enable the</td>
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<td>business to operate in an effective and controlled manner. Further work in</td>
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<td>this area is ongoing.</td>
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<td>The strength and breadth of expertise of our regional leadership teams has</td>
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<td>been reviewed and changes made to ensure the increased business capacity is</td>
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<td></td>
<td>managed effectively.</td>
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<td>Full integration of the Banner acquisition has been completed.</td>
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<td>KPI DATA</td>
<td>2013/14</td>
<td>2014/15</td>
<td>MEASURE</td>
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</tr>
<tr>
<td>Housing completions</td>
<td>743</td>
<td>993</td>
<td>CALA Data</td>
</tr>
<tr>
<td>Revenue (£)</td>
<td>298m</td>
<td>511.6m</td>
<td>CALA Data</td>
</tr>
<tr>
<td>LAND</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Landbank (homes)</td>
<td>12,690</td>
<td>14,236</td>
<td>CALA Data</td>
</tr>
<tr>
<td>Landbank (years)</td>
<td>12.7</td>
<td>10.2</td>
<td>CALA Data</td>
</tr>
<tr>
<td>Homes built on Brownfield land</td>
<td>501</td>
<td>752</td>
<td>CALA Data</td>
</tr>
<tr>
<td>Homes built on Brownfield land (%)</td>
<td>67.4</td>
<td>76</td>
<td>CALA Data</td>
</tr>
<tr>
<td>ENVIRONMENT</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Average SAP rating (%)</td>
<td>83.6</td>
<td>84.6</td>
<td>SAP</td>
</tr>
<tr>
<td>Waste generated – total (tonnes)</td>
<td>4,716</td>
<td>13,098</td>
<td>CALA Data</td>
</tr>
<tr>
<td>Waste generated – per unit (tonnes)</td>
<td>9.09</td>
<td>13.19</td>
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</tr>
<tr>
<td>Waste recycled (%)</td>
<td>93.2</td>
<td>94.8</td>
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</tr>
<tr>
<td>Timber sustainably sourced (%)</td>
<td>91.1</td>
<td>94.3</td>
<td>FCS/PEFC</td>
</tr>
<tr>
<td>Sustainable drainage system (% sites)</td>
<td>100</td>
<td>99.6</td>
<td>CALA Data</td>
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<tr>
<td>Code for Sustainable Homes Code Level 3 or above (total homes)</td>
<td>129</td>
<td>264</td>
<td>Code for Sustainable Homes</td>
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</table>
### HEALTH & SAFETY

<table>
<thead>
<tr>
<th>Measure</th>
<th>2013/14</th>
<th>2014/15</th>
<th>Source</th>
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</thead>
<tbody>
<tr>
<td>Number of reportable incidents</td>
<td>7</td>
<td>13</td>
<td>RIDDOR</td>
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<tr>
<td>Reportable incidents per 100,000 employees</td>
<td>436</td>
<td>464</td>
<td>RIDDOR</td>
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<tr>
<td>CSCS carded workforce (%)</td>
<td>94</td>
<td>98.6</td>
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<tr>
<td>HSE prosecutions</td>
<td>0</td>
<td>0</td>
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<tr>
<td>HSE enforcement notices</td>
<td>0</td>
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### PEOPLE

<table>
<thead>
<tr>
<th>Measure</th>
<th>2013/14</th>
<th>2014/15</th>
<th>Source</th>
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<tbody>
<tr>
<td>Total employees</td>
<td>493</td>
<td>719</td>
<td>CALA Data</td>
</tr>
<tr>
<td>Female employees</td>
<td>150</td>
<td>244</td>
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<tr>
<td>Female employees (%)</td>
<td>30.4</td>
<td>33.9</td>
<td>CALA Data</td>
</tr>
<tr>
<td>Female directors</td>
<td>11</td>
<td>11</td>
<td>CALA Data</td>
</tr>
<tr>
<td>Female directors (%)</td>
<td>27.5</td>
<td>15.3</td>
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<tr>
<td>Training days provided (total)</td>
<td>687</td>
<td>1,610</td>
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<tr>
<td>Training days provided (per employee)</td>
<td>1.4</td>
<td>2.2</td>
<td>CALA Data</td>
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<tr>
<td>Trainees, apprentices and graduates</td>
<td>12</td>
<td>25</td>
<td>CALA Data</td>
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<tr>
<td>PEOPLE (continued)</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>-------------------</td>
<td>--------</td>
<td>--------</td>
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<tr>
<td>Voluntary staff turnover (%)</td>
<td>13.4</td>
<td>21.38</td>
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<tr>
<td>NHBC Pride in the Job Awards</td>
<td>7</td>
<td>12</td>
<td>NHBC</td>
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<table>
<thead>
<tr>
<th>CUSTOMER SERVICE</th>
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</thead>
<tbody>
<tr>
<td>Customers who would recommend CALA (%)</td>
<td>95.7</td>
<td>96</td>
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<table>
<thead>
<tr>
<th>COMMUNITY</th>
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<tbody>
<tr>
<td>Social and affordable homes (total)</td>
<td>66</td>
<td>67</td>
<td>CALA Data</td>
</tr>
<tr>
<td>Social and affordable homes (%)</td>
<td>8.9</td>
<td>6.7</td>
<td>CALA Data</td>
</tr>
<tr>
<td>Considerate Contractors Scheme (sites)</td>
<td>17</td>
<td>18</td>
<td>CCS</td>
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<tr>
<td>Considerate Contractors Scheme (rate)</td>
<td>31.9</td>
<td>33.3</td>
<td>CCS</td>
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<tr>
<td>Charitable donations made (£ total)</td>
<td>22,688</td>
<td>112,273</td>
<td>CALA Data</td>
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<tr>
<td>Charitable donations made (£ per unit)</td>
<td>30.54</td>
<td>113</td>
<td>CALA Data</td>
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<tr>
<td>Sites that carried out community consultation (% of planning consents)</td>
<td>63</td>
<td>84</td>
<td>CALA Data</td>
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</table>

<table>
<thead>
<tr>
<th>ECONOMIC</th>
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</thead>
<tbody>
<tr>
<td>Contributions under Section Agreements (£)</td>
<td>4.25m</td>
<td>8.12m</td>
<td>CALA Data</td>
</tr>
</tbody>
</table>
If you have any comments or feedback on our Sustainability Report, please email sustainability@calac.co.uk