



# Corporate Sustainability Report 2019







## CONTENTS

### Welcome

A word from our CEO 1

### Better Homes. Built Better.

About Plant Prefab, Inc. 4

Healthy and Sustainable Homes 6

Sustainable Operations 9

Supply Chain 12

Workforce 15

In Summary 22



# A word from our CEO

Welcome to the first edition of Plant Prefab's first Corporate Sustainability Report. We founded Plant Prefab to be the first home design and manufacturing company dedicated to the highest level of sustainable design, operations, and materials. In these annual reports, we will detail our sustainability strategies, what we've achieved past year, and our goals for the future.

Since I was young, I've always felt a responsibility to add value through my work. For years I've recognized that businesses could be a positive agent for change, and that they should wed profit and purpose to address important societal issues. This is what we aspire to do at Plant and our values (see page 3), which are displayed throughout the company and which we discuss and practice daily, reflect our commitment to be a conscious and responsible enterprise.

We come to this honestly. We were incubated by LivingHomes, a design studio I started in 2006. That year we debuted the first home in the world to ever achieve LEED Platinum certification. The home also won the COTE Award (AIA's top sustainability award) as well as other top design and sustainability awards. To date, twenty-six residential units designed or built by Plant Prefab have achieved LEED Platinum certification, and another five LEED Gold.

This past 2019 has been an exciting year for Plant. As a company, we have more than doubled our workforce, providing high-quality, well-paying jobs to the surrounding community. We completed our first projects with our patented Plant Building System (PBS), a system which will give us the unprecedented ability to build high-quality custom single and multifamily homes up to three times faster and with up to 30% less cost and waste than typical site-based general contractors.

For homes we design and build, we employ a system we developed called Z6, which clarifies and quantifies the six key metrics we aspire to achieve or minimize in every home we design: Zero Energy, Zero Water, Zero Emissions, Zero Carbon, Zero Waste and Zero Ignorance.

As part of our environmental commitment, this past year we announced our Plant Promise: a commitment to being net carbon neutral by 2028. We will achieve this promise by our continued efforts to implement industry-leading sustainability standards that dramatically reduce the carbon footprint of our operations as well as the homes we produce.

To keep us accountable and ensure the company's commitment over time, we have set a goal of becoming B Corp Certified by 2020. We want to ensure we follow the gold standard for good business practices and set an example for other companies.

We are aware that there is still a long way to go and that achieving our goals in terms of our social and environmental performance requires hard work and dedication. By publishing this report, we want to strengthen our commitment of turning Plant Prefab into a sustainable and successful company, contributing to the wellbeing of society and the environment.

  
Steve Glenn  
CEO, Plant Prefab







## Our Values

### Lifetime Quality

Plant's design and building practices and processes are honed to deliver the highest quality results for our customers: a beautifully-designed, sustainably-built, durable home.

### Lifetime Clients

We don't just build great homes, we build trust. Plant believes that when we deliver highest-quality homes and the most helpful service, we create relationships that last a lifetime.

### Golden Rule

It's a simple, but powerful concept: we treat others the way we want to be treated. For every decision involving our clients, suppliers, or employers, we ask ourselves what we would want or expect if we were in their shoes.

### Earth Day; Every Day

We know that buildings have a profound impact on the environment and on people's health. As a home builder, we feel a daily responsibility to build and operate as responsible as possible.

### Less is More

Legendary architect Ludwig Mies Van Der Rohe coined this phrase, and we apply it broadly: A home built in less time, for less money, with less harmful stuff, and less environmental impact is, indeed, more.

### Safety First

We are uncompromising in our commitment to the health and safety of our employees, clients, and the larger community. Safety is built into our operations, practices, and materials choices and designs.

## About Us

Plant Prefab was spun out of LivingHomes, a sustainable design development company responsible for dozens of award-winning prefabricated homes, including the nation's first LEED Platinum certified home. LivingHomes is now Plant Prefab's in-house design studio, enabling us to create homes of unsurpassed quality in half the time of traditional construction, with lower construction costs and less waste.

Leveraging LivingHomes' experience utilizing ten different factories before Plant Prefab was founded, we've learned a lot about what works and what doesn't. Plant Prefab reflects many of these lessons and best practices. Our first factory is a 62,000-sf facility in Rialto, California serving the construction market in the several territories of the US. We manufacture custom single and multifamily homes that are high-quality, sustainable, healthy, and durable. We empower individuals, architects, and small developers who want to build their own projects — and who want an efficient and reliable solution with peace of mind during the process.

We work with architects on custom designs as well as with our Design Partners or select Standard Homes they have created for us. We are the nation's first prefabricated design and manufacturing company dedicated to sustainable construction, materials, processes, and operations. We believe that homes can — and should — be built in ways that minimize their negative impact on energy, water, and resources, as well as the health of the people who live in them and build them. We know that factory construction can be faster, more cost-effective, and more reliable than on-site construction. And we know it saves neighborhoods from months of noise pollution, traffic, and disruption.

In 2019 we built upon our commitment to sustainability by pledging to becoming fully carbon neutral by the year 2028. The Plant Promise is an ambitious goal to achieve net zero emissions across all company processes and operations.

As a value driven organization, we take responsibility seriously, both with respect to what we build and how, as well as how we treat our clients, each other (the team), suppliers, consultants, agencies and others with whom we work. Given all this, there are six core values we embrace and practice every day.





# HEALTHY AND SUSTAINABLE HOMES

**100%**

Of the homes we design meet  
ENERGY STAR standards

**32**

residential units designed or built  
by Plant Prefab have achieved  
LEED Platinum or Gold certification

**95%**

of the insulation used in our homes  
is certified GREENGUARD Gold  
(low chemical emissions)

**100%**

of the fixtures we use are  
low flow

**No VOC**

We use water-based coatings  
and materials with no VOCs

**99%**

is the amount of pre-consumer  
recycled content in our drywall



## HEALTHY AND SUSTAINABLE HOMES

At Plant Prefab we have a commitment to design and build our homes to the highest energy-efficiency standards. To achieve this, we integrate ultra-efficient LED lighting, HVAC systems, ENERGY STAR appliances, smart systems, and high-performance insulation that exceeds code requirements. Starting 2020, all Plant Prefab homes will be powered by solar power and many will be designed to be net zero electricity.

Aside from building energy efficient homes, we focus on designing and building healthy homes. We carefully evaluate the materials we use to build our homes and how they will affect the occupants over time. We use healthy finishes with no VOC, no sealant, and no adhesives. We take care of our HVAC system during construction to avoid potential contamination.

Similarly, we take care of the environment during construction by using materials with recycled content and low embodied carbon.

### GOALS

#### *Sustainably Sourced Wood*

As a company committed to sustainability, one of our goals is to build all of our homes with sustainably sourced wood, such as FSC Certified wood.

#### *All-electric homes*

We're constantly improving and making our homes more energy efficient. As part of our efforts, we're designing and specifying our homes to use electricity as its only source of energy.







OPERATIONS

276,932

kWh of electricity consumed  
in 2019 in our facilities

1,960

CY of construction and demolition  
waste generated in 2019

76%

of the construction and  
demolition waste is recycled

182,512

gallons of water consumed  
in 2019

7,717

kg of CO<sub>2</sub>e emissions  
from Scope 1

163,686

kg of CO<sub>2</sub>e emissions  
from Scope 2



# OPERATIONS

Similar to our homes, we strive for environmentally friendly operations. To achieve this, we have implemented several measures in our daily operations and design of our facilities. Some of the measures we have already taken include LED lighting, energy-efficient HVAC systems, ENERGY STAR certified workstations, double-pane windows, timers and motion sensors, low-volume irrigation, and recycling stations.

## GOALS

### *Carbon Neutrality*

Our promise is a commitment to being carbon neutral by 2028, which we'll achieve by our continued efforts to implement industry-leading sustainability standards that dramatically reduce the carbon footprint of our operations as well as the homes we produce.

### *Native Vegetation*

We have a goal to plant native vegetation in our facilities to avoid using potable water for irrigation.

### *On-site Waste Sorting*

We're constantly analyzing our waste produced and will be sorting our waste to make sure we're recycling as much as possible and diverting waste from landfill.

### *Zero Waste Target*

As one of our values is "Less is More", reducing our waste to landfill is one of our primary goals. We are developing a proprietary system that allows us to build our homes in a more controlled manner and reduce our overall construction waste by as much as 30% compared to regular site-based general contractors.







## SUPPLY CHAIN

**30%**

of our materials by volume  
have a third party  
environmental certification

**100%**

of our Significant Suppliers are  
located within 50 miles of our facilities

**100%**

of our suppliers are accountable  
to our Code of Ethics

**29%**

of our Significant Suppliers  
are family owned

**43%**

of our Significant Suppliers are  
located in Low-Resource Communities

**50%**

of our suppliers have positive practices  
beyond what is required by regulations



## SUPPLY CHAIN

When thinking about sustainability we have to measure beyond our walls and look at the entire supply chain. We believe in not only implementing responsible measures in our company, but also sharing and encouraging our suppliers and vendors to follow the same path.

As a company located in a low-income community, we continuously support local suppliers and screen for several factors including ownership diversity, positive practices, environmental certifications, and compliance with local laws and regulations.

All of our suppliers and vendors are accountable to our Code of Conduct thus we expect them to operate in a responsible manner, taking care of their employees and the environment.

### GOALS

#### *Source Local*

We have a goal to specify and install local materials in our homes to avoid emissions from transport and support the local economy.

#### *Supplier Diversity*

We want to diversify our supplier diversity; thus, we will screen our suppliers to support minority-owned businesses.

#### *Reduce Impact from Transportation*

We have a goal to reduce impact from transportation by educating our drivers on fuel-efficient techniques. Additionally, our Plant Building System (PBS) will allow us to reduce our ton-miles by allowing us to consolidate more weight on each trip and reduce our number of trips needed to transport our homes.







WORKERS

36

new jobs were added in 2019,  
a 106% increase from 2018

14.3%

of our workers are female,  
compared to an industry average  
of 9.9%

100%

of our employees have healthcare,  
vision, and dental insurance benefits

0.7

is our Total Recordable Incident Rate  
compared to an industry average of 2.9

100%

of our employees have been  
granted stock options

100%

of our employees received bonuses  
regardless of profit



## WORKERS

As a growing company, over the past year we have been able to add new employees to our team. In 2018 we had 34 employees and as of December 2019 we have 70 employees, a 106% growth.

One of the company's core values is Safety First. We take the health and safety of our employees seriously and we have developed an Occupational Health and Safety management system and procedure that goes beyond industry standards. We have a weekly safety steering committee that reviews safety KPIs, best practices, and specialized topics which are then dispersed to the operational floor. Our OSHA Total Recordable Incident Rate (TRIR) continues to improve and is well below the national average for residential construction.

We believe it is important to invest in our workforce for the company to be successful. Therefore, we provide constant training to our employees including on-the-job training, cross-skills training, and external professional training opportunities. We also believe in having our employees grow with and within the company, that is why we encourage internal promotions and hiring for advanced positions.

### GOALS

#### *Safety*

Lower our TRIR and maintain it at less than 1, regardless of company growth.

#### *Diversity*

Currently, 14.3% of our employees are women, compared to an industry average of 9.9%. As far as managers, 26% are women. One of our goals is to improve our female-to-male ratio for our managers.











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