

Corporate Sustainability Report 2020

plant
P R E F A B



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A Message From Our Founder & CEO

2020 was an exceptionally challenging year—for the world and for Plant.

When news of the virus emerged, we were ready and able to act swiftly. We enacted comprehensive COVID-19 prevention measures across our operations, empowering staff to enhance existing work practices to ensure even greater health and safety among their teams. This active participation at all levels of the organization made it possible for us to continue operations without interruption, providing sustained employment for our staff and stability for our clients.

As a California essential business, we're proud that we were able to continue delivering homes to our customers during such uncertain times, especially to those who were victims of the wildfires and eager to return home.

Despite the challenges of the pandemic, I'm incredibly proud to report that we built more homes than ever before and achieved important milestones in our social and environmental goals. Some highlights from the year:

- We introduced the Plant Building System™ (PBS), a revolutionary advancement in prefabrication technology that helped us achieve a 30% reduction in Plant's waste production.
- We introduced significant new recycling processes for materials, and we're now recycling 100% of our wood waste.
- We became the first custom modular and panelized homebuilder to achieve B Corporation™ certification, surpassing required baselines for social and environmental performance, public transparency, and legal accountability.
- We initiated our formal process to meet our 2028 carbon pledge with Plant's first comprehensive carbon footprint calculation, measuring both the embodied and operational carbon of our operations, supply chain, and homes.

I hope you enjoy reading more about these initiatives and others in this year's report. As usual, we welcome your feedback and comments.

Thank you for your support of Plant's mission. Together, we're building a better world, by design.

Steve Glenn
Plant Prefab Founder & CEO
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2020 Carbon Footprint

In September 2019 we made a bold commitment to become fully carbon neutral in our operations by 2028. The first step in our decarbonization journey was to calculate the full scope of our current emissions, including both embodied and operational carbon from primary, secondary, and tertiary sources.

The numbers below are the result of this work, comprising Plant’s first-ever comprehensive carbon footprint. We look forward to sharing the results of our ongoing carbon reduction initiatives in subsequent reports.

Category	Metric Tons CO ₂
Scope 1: Emissions from Direct Operations	4.95
Fossil Fuels	4.95
Scope 2: Emissions from Purchased Electricity	81.41
Scope 3: Emissions from Indirect Sources	757.78
Homes Designed by the Plant Design Studio	
Materials	67.57
Transportation	1.75
Home energy consumption (1 year)	2.48
Homes Designed by Other Architects	
Materials	563.15
Transportation	15.12
Home energy consumption (1 year)	40.15
Employees	65.85
Air travel	1.71
Total	844.14

Scope 1: Direct emissions from burning fuel (e.g., company cars)
Scope 2: Indirect emissions from electricity use in our facilities
Scope 3: Other indirect emissions including those emitted during the production of materials used in our homes, the transportation of materials to our factory, the transportation of our homes to installation sites, the operational emissions of our homes (1 year), Plant employee commutes, and Plant employee air travel.



Becoming a B Corporation™

Plant has always been committed to wedding purpose and profit in our work, and in 2020 we formalized this commitment by becoming a Certified B Corporation™ (B Corp™).

B Corps are businesses that meet the highest verified standards of social and environmental performance, transparency, and accountability. To achieve this designation, a company must earn a passing score on the B Impact Assessment, a rigorous, multi-phase review that measures performance in five categories:

- Governance: mission, engagement, ethics, and transparency
- Workers: financial security, health, wellness, safety, career development, engagement, and satisfaction
- Community: diversity, equity, inclusion, economic impact, civic engagement and giving, and supply chain management
- Environment: environmental management, air and climate, water, and land and life
- Customers: customer stewardship

Plant's path to certification began in December 2019 with an exhaustive internal audit of our products and operations. Each department was engaged to provide information about current practices and policies, then guided through the measures required to meet B Corp standards. From our employee safety protocols and vendor sourcing practices, to our profit-sharing policies and customer privacy measures, we reviewed and improved upon existing programs and implemented best-in-class tracking mechanisms to ensure continued compliance.

Upon completion of the B Impact Assessment, a B Lab analyst researched and confirmed the information we provided. This initial verification was followed by a thorough peer review, at which point Plant was officially assigned a passing score of 93.5 points.

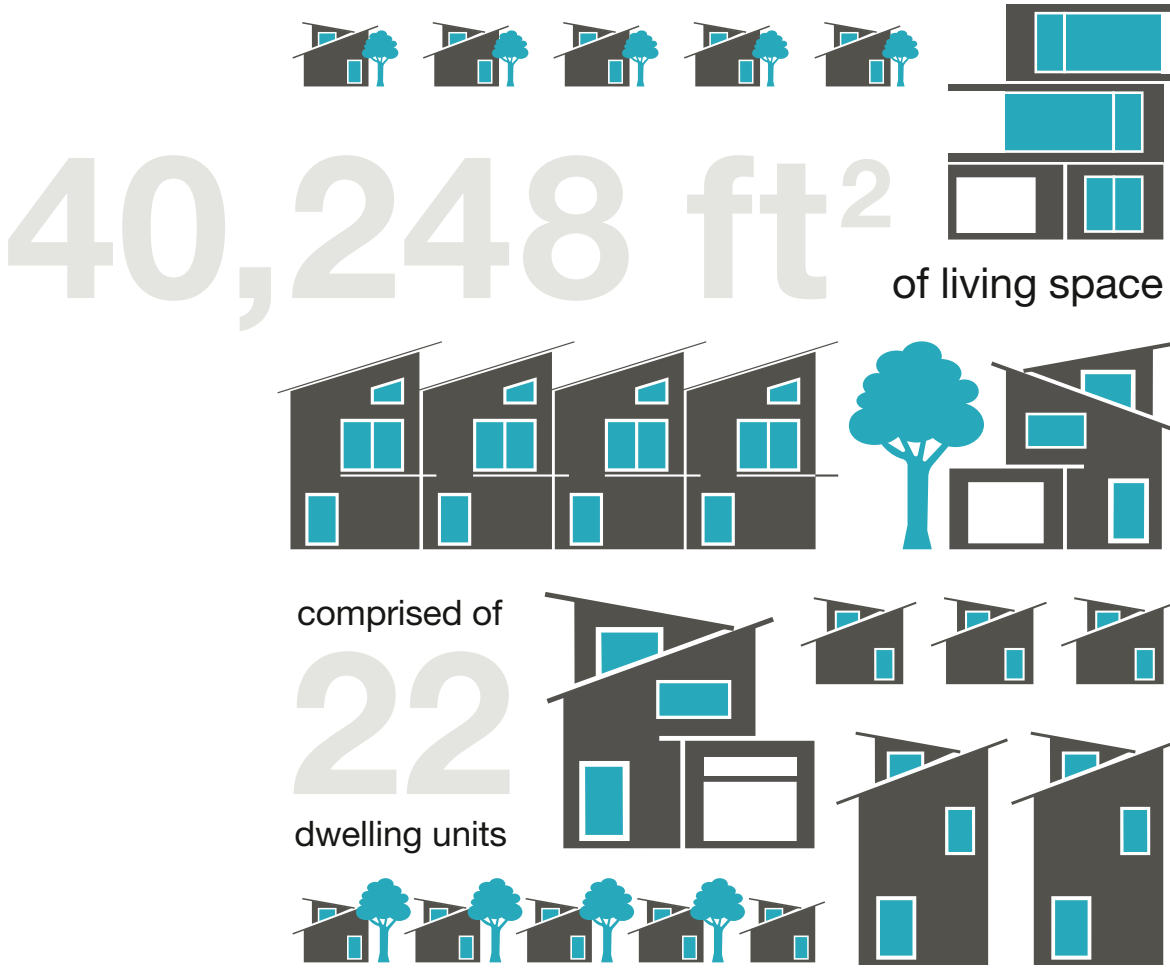
Becoming a Certified B Corp was more than an affirmation of our values; establishing systems for monitoring our emissions, water use, electricity use, waste generation, and other key metrics was a crucial first step in our path to decarbonization. B Corp standards are now embedded in our operations and governance, and ongoing independent reviews will keep us accountable to our word. We are honored to be the first custom modular and panelized home-builder to become a Certified B Corporation, and we are energized to continue improving our social and environmental performance.

Our Homes

We're committed to building the healthiest, highest-performing homes in the most responsible way possible. This means carefully evaluating each material we use, considering the effects it will have on building occupants over time, as well as factors like recycled content, embodied carbon, energy performance, and durability.

We use healthy finishes with low or no volatile organic compounds (VOCs), categorically avoiding products with formaldehyde and other known carcinogens. Each home we design integrates ultra-efficient LED lighting, HVAC systems, appliances, smart energy monitoring, and high-performance insulation that exceeds code requirements. Our Plant Building System™ allows us to tailor the construction of every home to the project's specific climate zone, ensuring optimal thermal comfort, energy performance, and durability.

2020 Production



Our Homes

2020 Performance



Goals for Continuous Improvement

Sustainably-Sourced Materials
We strive to minimize the embodied carbon of our homes through careful materials choices. Our goal is to use all sustainably-sourced, recycled/recyclable, low-carbon materials. Learn more about our sourcing practices on page 22.

Energy-Efficient Design & Construction
We are constantly working to improve the energy performance of our homes, and to reduce their operating costs. Our standing goal is to make all our homes more efficient than California Title 24 energy efficiency requirements.



Embedded Smart Home Technology For Enhanced Energy Performance



Our LivingHome designs have always pushed the boundaries of health, comfort, and sustainability, and now they also incorporate Alexa-enabled smart home technology to make life a little easier—and green.

Every LivingHome now offers best-in-class connectivity, virtual assistance, security, climate control, and energy monitoring, giving homeowners the tools and data they need to reduce their carbon footprint without lifting a finger.

All devices come fully installed, and a visit from an Amazon expert helps homeowners set up personalized routines. This means that tasks crucial to energy performance (which are often forgotten amidst the bustle of daily life) can now be programmed to run behind the scenes. Smart thermostats can provide user-based preferences and schedules, while analyzing weather data and other environmental factors to improve system efficiency. Lighting can be controlled by room and by hour, and included smart dimmers automatically adjust output based on ambient light. Smart appliances can be set to operate at optimal times, and internal sensors calibrate to the specific contents of each load. Smart energy monitoring can notify the homeowner of potential problems, while helping occupants optimize their energy use. Such passive resource conservation helps the homeowner's wallet and the planet.

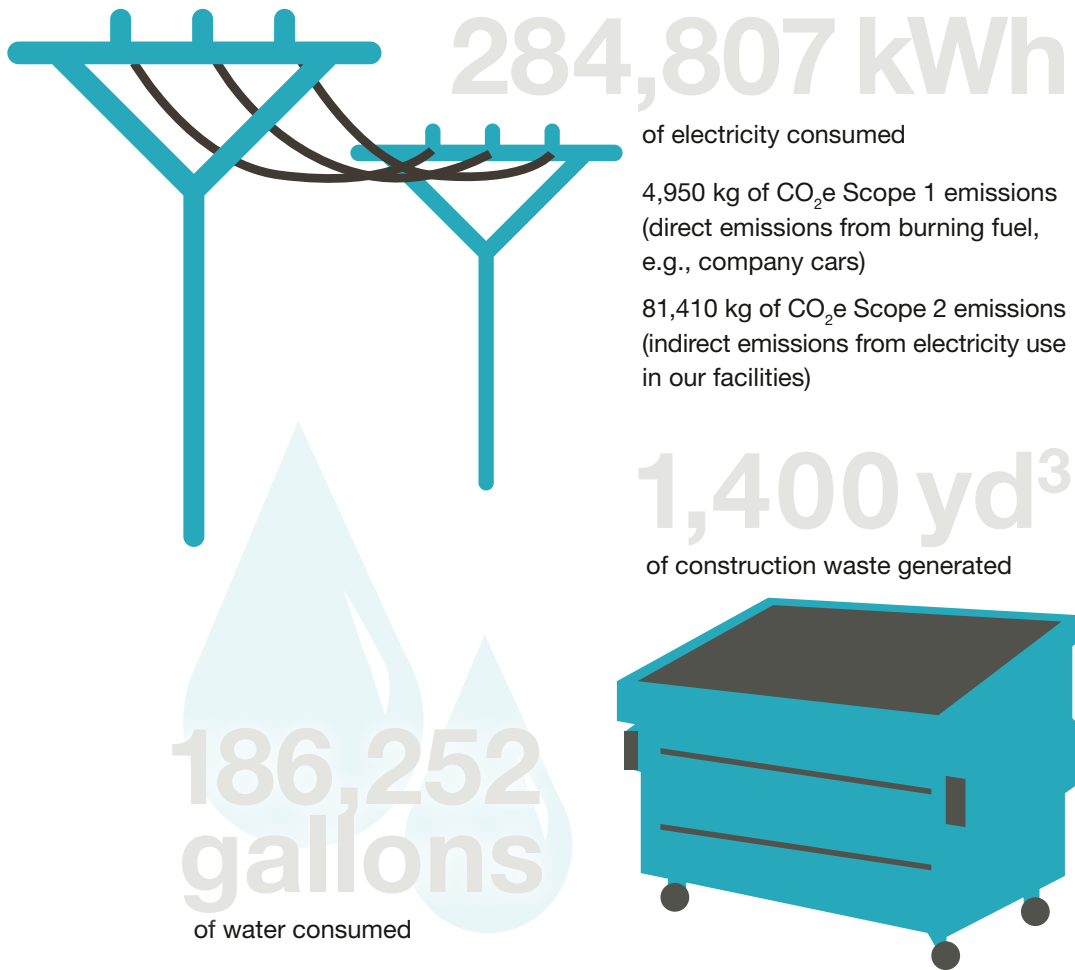
Plant's decision to include smart energy technology—in addition to popular security and entertainment devices—ensures that LivingHomes provide both convenience and enhanced energy performance. It's one of the many ways we're working to reduce our carbon footprint, which includes not only the embodied carbon in the materials we use to build our homes, but also the operational carbon emitted by our homes. Learn more about Plant's carbon performance on page 5.

Our Operations

We strive to operate in the most environmentally responsible way possible, and we believe that this responsibility includes both our physical infrastructure as well as the people operating within it. That's why we do everything we can to make our facilities as sustainable as possible, while also educating our staff about how their actions impact resource consumption and efficiency.

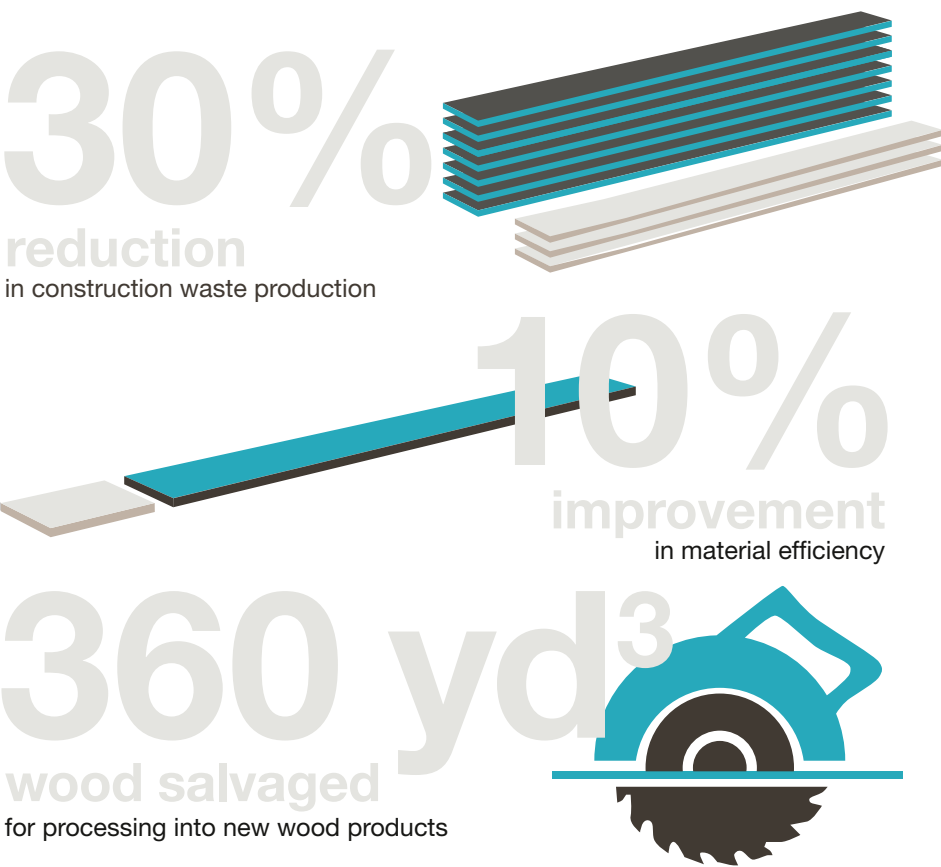
Our factory and offices use all LED lighting, energy-efficient HVAC systems, ENERGY STAR-certified workstations, double-pane windows, timers and motion sensors, low-flow water fixtures, and recycling stations. We also train our employees in resource-efficient practices, like bringing their own reusable water bottle, and provide weekly tips for how to live a more sustainable life-style. Employee health and safety is our first priority, so we also track indoor air quality to ensure that our workplaces remain within safe levels.

2020 Impact



Our Operations

2020 Performance



Goals for Continuous Improvement

Minimal Waste

We have a standing goal to use and waste as little as possible. Our Plant Building System helps us construct homes with up to 30% less waste than site-based builders, and we sort the waste that we do produce for reuse or recycling. Learn more about our latest waste reduction efforts on page 18.

Carbon Neutrality

In 2019 we pledged to become carbon neutral in our operations by 2028. We are working towards this goal by implementing industry-leading sustainability standards and practices to reduce the carbon we consume and emit, in our operations as well as in the homes we produce.



Achieving a 30% Reduction in Waste



We implemented two new initiatives in 2020 that helped us reduce our waste production by 30%.

Construction is an incredibly wasteful industry. Up to 40% of the materials used to build a home in a traditional manner are lost to waste, and construction and demolition materials comprise roughly 30% the waste stream. This is why Plant does prefab. Building indoors means materials are protected from the elements, so there is no spoilage from environmental factors, and cut-offs and surplus materials are easily retained for re-use. The higher quality workmanship of Plant's fabrication processes also means less materials are lost to mistakes.

Still, we want to do better. We issued ourselves a challenge to significantly reduce Plant's material waste, and in 2020 we implemented two key initiatives to address this goal:

Plant Virtual Build Process

The simplest way to waste less is to use less, so we instituted sweeping changes to the way we order and utilize materials. An integral component of our new Plant Building System is the Plant Virtual Build Process, which uses advanced engineering to virtually construct each project before it goes into production. This virtual modeling produces a precise list of materials, which we analyze for optimal usage and translate into cut lists for the factory. This empowers us to order materials in the most efficient dimensions possible, and allocate the materials in the most efficient manner possible. The result has been a drastic reduction in cut-offs and waste.

Wood Recycling

Even the most efficient wood cutting still yields some unusable scrap, so we set out to find the most sustainable solution for re-use. We found a local business that collects and sorts wood products, extending the life of this valuable natural resource by processing it into mulch, chip fibers, and soil amendments. On Earth Day 2020 we kicked off a new waste sorting program, and all wood products are now separated and sent for recycling. The new system keeps Plant's leftover lumber out of the waste stream and puts it to use in landscaping, agriculture, municipal projects, and more.

The combined efforts of these initiatives helped us cut Plant's waste production by 30% in 2020. Increasing our material efficiency and decreasing the amount of materials we send to the landfill are key components of reducing our carbon footprint, so we look forward to continuing our progress.



Plant Building System™: A New Kind of Prefab for Next-Level Efficiency

We launched our patented building system and used it to build 15 homes in 2020, proving the system's ability to make prefab even more efficient and sustainable.

At Modernism Week 2020 we unveiled a show home constructed in a radically new way. Much more than a proof of concept, the fully finished LivingHome 10 showcased Plant's ability to efficiently prefabricate, deliver, and assemble a project using our new Plant Building System™.

The Plant Building System is a hybrid prefabrication solution designed and patented by Plant. It solves the limitations of other prefabricated building systems by utilizing a combination of advanced engineering and specialized components called Plant Panels™ and Plant Modules™.

Plant Panels improve upon other leading panel products by incorporating framing, insulation, plumbing, electrical, and finish materials. Panel design is regionally code-driven by air, water, and heat transfer analysis, coupled with local structural and seismic requirements, ensuring optimal thermal performance and durability for each project's specific climate zone. These custom panels are used to construct Plant Modules, which can range from small "core" modules (for kitchens, baths, and mechanical areas), to large "full" modules (for entire sections of a home). We determine the most efficient configuration of Plant Panels and Plant Modules for each project using advanced engineering software, then fully construct the design as a virtual model before sending it to the factory floor. This enables us to produce precise shop drawings, materials lists, and cut lists, ensuring optimal material efficiency for every job.

Using the Plant Building System, a single design can be constructed in an almost infinite number of ways: mostly Plant Panels, mostly Plant Modules, or any combination thereof. Such flexibility empowers Plant to build more complex designs and service lots with more complex access conditions, greatly expanding the possibilities of prefab. This increased capacity to build more efficient homes in a more sustainable manner is great news—for Plant clients and for the planet.

Our Supply Chain

We believe that social and environmental responsibility extends beyond our walls. All our suppliers and vendors are accountable to our Supplier Code of Conduct, which asks them to operate in a responsible manner, taking care of their employees and the environment.

We screen suppliers across several dimensions, including but not limited to corporate practices, environmental certifications, and compliance with local laws and regulations. As a company located in a low-income community, we use local partners whenever possible.



30%
of our materials by volume
had one or more third-party
environmental certifications

2020 Performance

43%

of our significant suppliers were
located in low-resource communities

29%

of our significant suppliers were
family owned

100%

of our significant suppliers were
located within 50 miles of our factory



*Significant suppliers are the company's
largest suppliers, accounting for roughly
80% of all non-labor costs.*

Goals for Continuous Improvement

Responsible Sourcing

We strive to use the most sustainable, lowest-carbon materials we can find. Our standing goals are to specify locally-sourced materials and to support local suppliers, especially those with female and/or minority ownership.

Reduce Transportation Impact

Our Plant Building System uses the most efficient combination of modules and panels to minimize the number of trips required to transport our homes. Our goal is to continue reducing our transportation ton-miles by consolidating more weight on each trip and educating our drivers on fuel-efficient techniques.

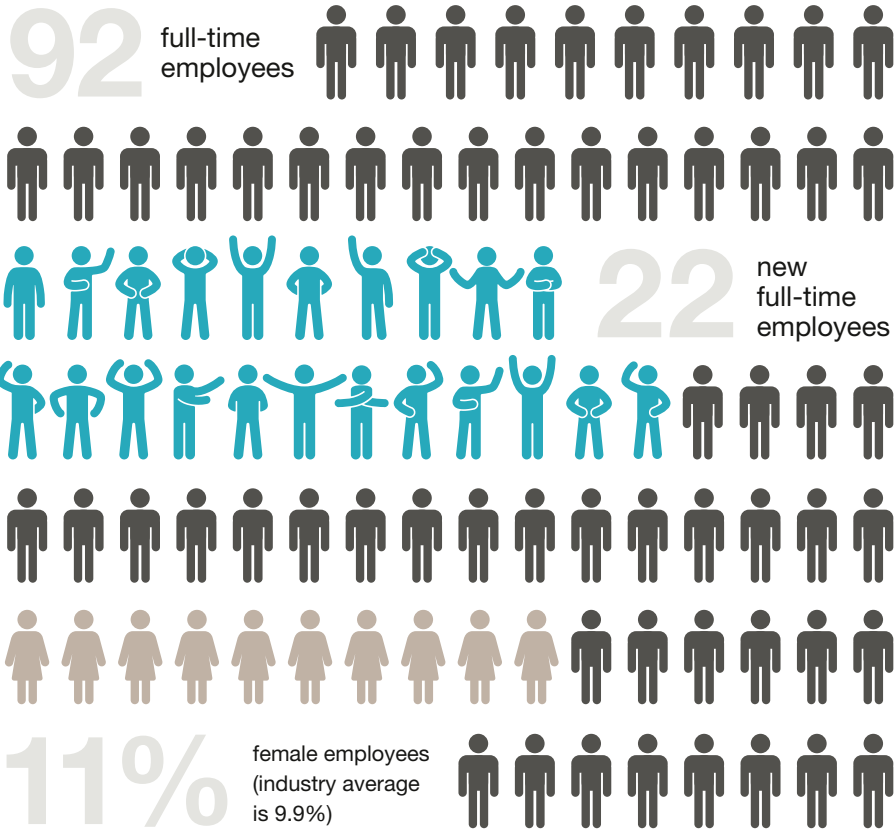


Our Employees

As a growing company, we recognize that nothing is more critical to our success than a safe, skilled, and satisfied team. Safety has always been our top priority, and our goal is to have zero incidents of harm. We have an Occupational Health and Safety Management System and procedures that extend beyond industry standards. We have a safety steering committee that meets weekly to review metrics, best practices, and specialized topics, then disperses information to the operational floor. These and many other efforts have helped us maintain an OSHA Total Recordable Incident Rate (TRIR) that is well below the national average for residential construction.

We invest in our employees with continuous on-the-job training, cross-skills training, and opportunities for external professional training. We also encourage employees to grow with the company, developing staff for internal promotions and filling advanced positions from within whenever possible. In 2020 we welcomed 22 new full-time employees, growing from a staff of 70 at the end of 2019 to 92 at the end of 2020.

2020 Team



Our Employees

2020 Performance

0.6%



Total Recordable Incident Rate
(industry average is 2.9%)



92%

employee satisfaction rate

100%

of our full-time employees have
been granted stock options



of our permanent employees
are eligible for healthcare, vision,
and dental insurance benefits

100%

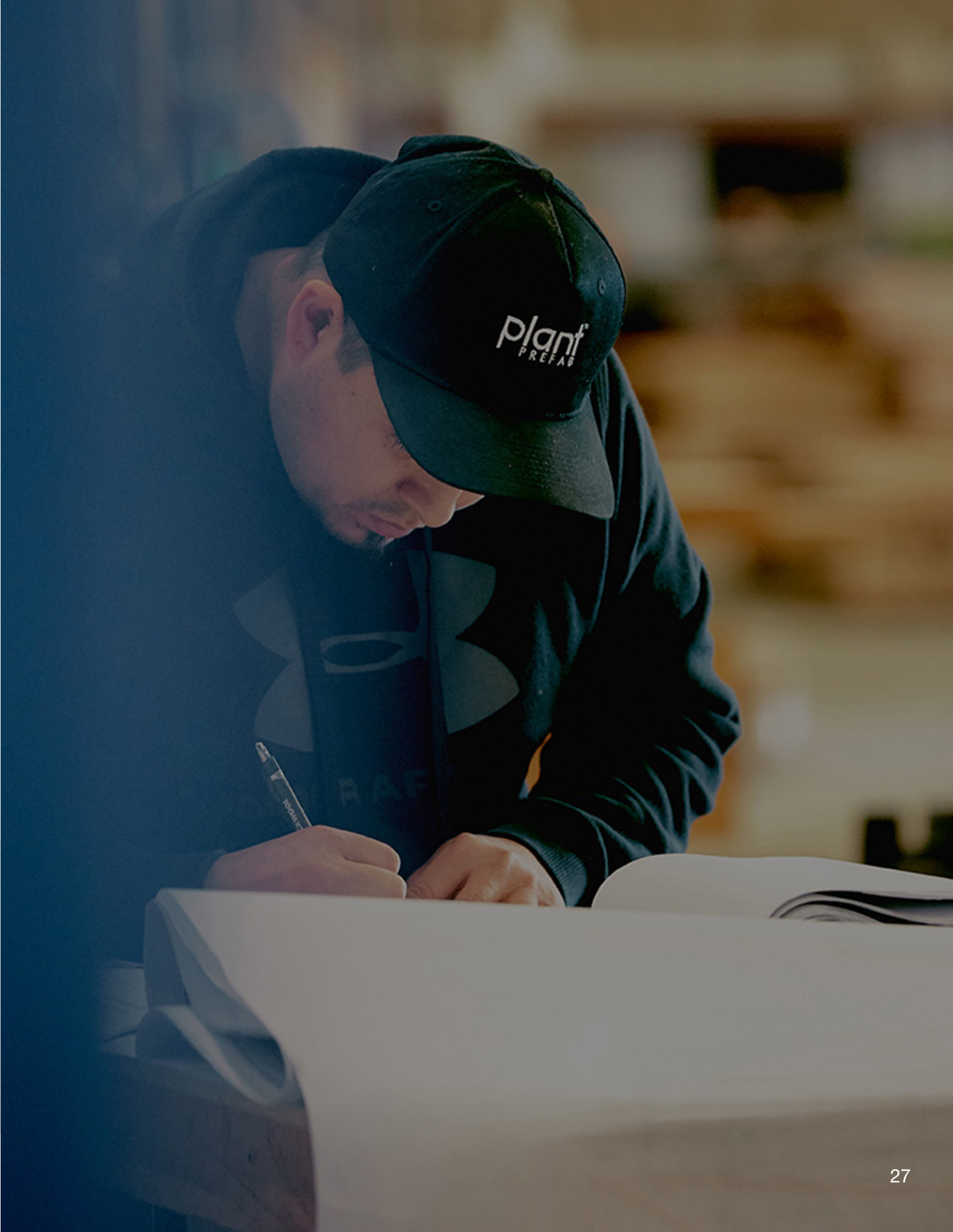
Goals for Continuous Improvement

Safety

Safety is our #1 priority across all facilities. We foster a culture of safety awareness that encourages employees to report hazards and offer suggestions. Our goal is to maintain an OSHA Total Recordable Incident Rate (TRIR) below 1.

Culture of Organizational Excellence

We aspire to create a culture of organizational excellence in which our employees feel engaged in their work and driven to solve the most important problems in residential housing. Our goal is to be a coveted employer known for its diverse and world-class talent, employee development, and excellent benefits.



Growing From Challenge



We fought the pandemic with teamwork, safeguarding health and productivity while advancing goals for career training and development.

Plant had ambitious 2020 goals for employee health, safety, and development. As a rapidly-growing company, we wanted to ensure that all our employees remained safe, satisfied, and engaged in their professional growth as we scaled our operations.

Then the pandemic struck. We quickly coordinated a company-wide effort around COVID-19 prevention, implementing strict new sanitation, distancing, masking, and symptom-checking measures across all facilities. This swift and comprehensive action not only prevented the spread of disease, it also helped employees at all levels of the organization understand their role in creating a safe work environment—for their own health and safety, and for the financial health and safety of the company.

Though the measures we implemented were tactical, the changes were cultural. Factory teams became more receptive to safety initiatives and began engaging with management to expand safety policies and training. Production staff collaborated on the design and implementation of new programs for illness prevention, fall protection, injury prevention, ladder safety, and more. We implemented new “quick reports” for workers to document near misses, to help us better understand safety threats and how to prevent them in the future. Instead of punitive action for mistakes, we focused on preventative action through awareness, and the results exceeded expectations. Our efforts made it possible to continue operations despite the pandemic, and maintain a Total Recordable Incident Rate (TRIR) well below the national average despite scaling our workforce by 31%.

We also achieved important goals for employee training and development. Factory leadership (comprising roughly 30% of our workforce) received AED, CPR, and first aid training, and 60% of our factory staff received cross-training in a new discipline. This gave employees the opportunity to broaden their skillset, while creating a more versatile workforce. Office employees received 360-degree reviews, in which feedback was solicited from their managers, coworkers, and direct reports, providing unbiased and actionable insights for professional growth and development.

Amidst the many uncertainties of the pandemic, we’re proud of our staff’s commitment to continuous improvement. Together, we are living Plant’s values and building a culture of organizational excellence that’s stronger than any external challenges we may face.

About Plant Prefab

Building a better world, by design.

Plant Prefab is the first Certified B Corporation™ custom prefabricated design and construction company dedicated to sustainable building, materials, processes, and operations. Plant’s patented building system empowers individuals, architects, and developers with a faster, more efficient way to build single-family homes, accessory dwelling units (ADUs), and multi-family developments. Clients can work with any architect of their choice, or select from a growing collection of standard LivingHomes designed by world-renowned architects.

Plant Prefab was spun off of award-winning design studio LivingHomes, which created the nation’s first home to achieve LEED for Homes Platinum certification. The Plant Design Studio team has since designed dozens of Platinum and Gold-certified projects, making Plant one of the most experienced designers of sustainable, high-performance homes.



Our Values

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.

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 the highest-quality homes and the most helpful service, we create relationships that last a lifetime.

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 responsibly as possible.

Golden Rule

It’s a simple, but powerful concept: we treat our clients, suppliers, partners, and each other the way we want to be treated—with empathy, respect, and integrity.

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.





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