

# Welcome to your CDP Climate Change Questionnaire 2021

## C0. Introduction

### C0.1

#### **(C0.1) Give a general description and introduction to your organization.**

Countryside Properties are a leading home builder in the UK, creating high-quality homes and urban spaces where people love to live. Our business model includes two delivery divisions: Partnerships, which focuses on urban regeneration, delivering mixed-tenure and affordable homes in collaboration with local authorities and housing associations and Housebuilding, which delivers private and affordable homes and new communities aimed at local owner occupiers.

We work to create places that make life better for people. This means taking a place-making approach that not only builds high-quality homes, but also thinks critically about the social and digital infrastructure, transport and green spaces needed to nurture a vibrant, connected and healthy community. Engaging with and listening to local communities and partners is key to this work. We work hand in hand with our stakeholders to understand their priorities and needs and to incorporate these into the development process. What makes us different is the depth of our involvement with communities and partners, and the way we plan, not only for the people who will live there in a year's time, but those communities to follow in the future. Our purpose is also about helping to create a more sustainable world. The places we live and work have a big impact on our climate and biodiversity, and we have an important role to ensure that we create greener and more resilient environments. We aim to manage our operations in a sensitive and considerate way, and are working hard to ensure that we provide beautiful homes and places while also reducing our waste and emissions.

We are committed to building high-quality new homes for our customers and to providing them with excellent service throughout their purchasing experience. We are proud to have achieved a five-star customer satisfaction rating in 2020 despite the challenges presented by the pandemic. We built 4,053 new homes in 2020 with 42% of those being classed as affordable. A further 22% of the homes were built for the private rented sector. There was a small drop in the percentage of homes built with renewable energy, but this is something we are reviewing in 2021 as part of a new group-wide strategy to meeting the Government's net zero carbon emissions target.

We directly employ nearly 2,000 staff, have 11 regional offices, operate 17 regional businesses and have invested heavily in off-site manufacturing with 2 operational timber frame factories. We understand the integral part modern methods of construction plays in achieving our Pathway to Net Zero. while meeting our growth plans and securing our supply chain for the future. We use off-site timber frame construction on a substantial proportion of our output and with two factories currently operating, we have progressed plans for our third factory to open in 2021.

We operate a group-wide Environmental Management System certificated to ISO14001:2015. This sets our structure for managing risk and identifying opportunities within a framework that creates uniformity of process across our regional businesses and factories. Although the work we do on our construction sites contributes to our largest our largest direct impact on the environment through resource, energy use and waste production, biodiversity impact and changing land use we also recognise that office and support functions contribute to this impact and are important to manage effectively and responsibly.

## C0.2

**(C0.2) State the start and end date of the year for which you are reporting data.**

	Start date	End date	Indicate if you are providing emissions data for past reporting years
Reporting year	October 1, 2019	September 30, 2020	No

## C0.3

**(C0.3) Select the countries/areas for which you will be supplying data.**

United Kingdom of Great Britain and Northern Ireland

## C0.4

**(C0.4) Select the currency used for all financial information disclosed throughout your response.**

GBP

## C0.5

**(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.**

Operational control

## C-CN0.7/C-RE0.7

**(C-CN0.7/C-RE0.7) Which real estate and/or construction activities does your organization engage in?**

New construction or major renovation of buildings

## C1. Governance

### C1.1

**(C1.1) Is there board-level oversight of climate-related issues within your organization?**

Yes

### C1.1a

**(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.**

Position of individual(s)	Please explain
Chief Executive Officer (CEO)	Our Group Chief Executive Officer (CEO) is responsible for deciding and supporting the approach to sustainability for the business, including climate-related issues, and is ultimately accountable for managing the impacts of identified risks and opportunities. The development of the new Sustainability Strategy (called an Approach) launched in May 2021, the Pathway to Net Zero and our Science Based Carbon Targets (both to be launched in late Summer 2021) are fully supported and endorsed by the Group CEO.
Board-level committee	We have a board level Sustainability Committee, chaired by a Non-Executive Director, who also sits on the Main PLC Board. The terms of reference for this committee include having regard to how feedback on the effectiveness and efficiency of the carbon management approach, its programmes and deployment are collected, understood and shared within the Company.
Director on board	We have sub-divided elements of our climate related approach to other board directors. The Divisional CEO for Operations has taken on accountability and responsibility for decarbonising construction operations, including embodied carbon.

### C1.1b

**(C1.1b) Provide further details on the board's oversight of climate-related issues.**

Frequency with which climate-related issues are	Governance mechanisms into	Please explain
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a scheduled agenda item	which climate-related issues are integrated	
Scheduled – some meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues	Our new Approach to Sustainability was signed off and fully endorsed by the Board, the Executive Committee in FY2021 and rolled out across the business. The Approach contains a number of targets against which performance is regularly monitored to demonstrate effectiveness. All our Sustainability Policies, including Climate Change, are signed off by our CEO and endorsed by the Executive Committee. Climate related issues have the potential to significantly impact our business operations and future decision making.
Scheduled – all meetings	Reviewing and guiding risk management policies	The Group Risk Management Committee meets quarterly and is comprised of members of both the Board and the Executive Committee (including the Group CEO). The role of the Risk Management Committee is to review and update the Corporate Level Risk Register, which details all items that carry a high risk to the business. The risks are scored based on their level of financial, reputation and legislative impact. The Sustainability Risk Register includes climate-related risks and their impacts on the business. The identified risks are scored before and after material controls are put in place, and provides an opportunity to identify potential improvement actions. We have agreed a method with the Company Secretary to ensure key risks identified in the Sustainability Risk Register are fed into the

		Corporate Level Risk Register through the group-wide annual corporate assessment process. This will begin in FY22.
Scheduled – all meetings	Overseeing major capital expenditures, acquisitions and divestitures	Investment Committee - All potential development projects are reviewed and signed off by the Investment Committee at scheduled meetings. Climate-related risks, such as flood risk level of the site, opportunities for material reuse and ecological impact will be reviewed and considered as part of the decision to proceed with a particular development. The Investment Committee also evaluate and agree to proceed on major capital investment. Most recently investing in a modern factory with significant renewable energy generation capacity through a very large roof mounted solar PV array
Scheduled – all meetings	<p>Reviewing and guiding strategy</p> <p>Reviewing and guiding major plans of action</p> <p>Setting performance objectives</p> <p>Monitoring implementation and performance of objectives</p> <p>Monitoring and overseeing progress against goals and targets for addressing climate-related issues</p>	Sustainability Committee - Assess the approach adopted by the Company to identify and prioritise global, national and regional climate related issues material to the business strategy. Ensure a clear rationale is in place to evaluate changing stakeholder and shareholders needs and expectations and the impact of these changes. Review and approve the Climate related commitments and targets proposed by management. The Committee evaluated and approved Countryside's Science Based Targets in the July session.

## C1.2

**(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.**

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	Both assessing and managing climate-related risks and opportunities	Quarterly

Sustainability committee	Both assessing and managing climate-related risks and opportunities	Quarterly
Risk committee	Both assessing and managing climate-related risks and opportunities	Quarterly
Other, please specify Investment Committee	Other, please specify Overseeing major capital expenditures, acquisitions and divestitures	More frequently than quarterly

## C1.2a

**(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).**

### **Group CEO**

Our Group Chief Executive Officer (CEO) manages the Group's operational activities in accordance with overall strategy and policy as determined by the Board. He is ultimately responsible and accountable for sustainability, including climate-related issues and managing the impacts of identified risks and opportunities identified by the business. The Group CEO sits on the Board of Directors. The Executive Committee, who sit below the Board and is led by the Group CEO have responsibility for the day-to-day management of the business, and for developing strategy for the Board's input and approval.

### **Sustainability Committee**

Our Executive-level Sustainability Committee is chaired by one of our Non-Executive Board Directors and takes place at least three times a year. The Committee will review and assess identified corporate risks, such as climate change and determine how effectively these risks are mitigated within the Sustainability Approach. This Committee will review and approve sustainability commitments and targets, e.g. Science Based Carbon Targets, proposed by the management to address material issues. Our Group CEO and Group CFO sit on this Committee and are responsible, along with the Group Sustainability Director, to ensure that any key risks identified through the Sustainability Committee are then raised at the Risk Management Committee as appropriate and fed into the corporate risk management process.

### **Risk Management Committee**

The Group Risk Management Committee meets quarterly and is comprised of members of both the Board and the Executive Committee. The Risk Register is reviewed quarterly and updated where necessary following discussions within the Committee meeting, which is attended by key departments and individuals from within the business including the Group CEO, CFO, Group Sustainability Director, Group Director of Health and Safety, Legal Counsel and regional Managing Directors. Any Climate-related issues perceived as having an impact on the business will be discussed and escalated to the register where required and re-assessed to

ensure their current level of impact is accurately reflected; along with any control measures to manage the risk and reduce the impact.

**Investment Committee**

The Investment Committee meets at least monthly, factoring in sustainability considerations including climate related issues into investment decisions for infrastructure and technology. The Committee also evaluate the ambition of proposed social value, biodiversity, climate related and other sustainability outcomes when deciding to progress and procure land for future development.

**Monitoring**

Climate-related issues are monitored through attendance at relevant events, webinars and networking with peers. New Bulletins/Newsletters from organisations such as HBF, also provide the latest updates on climate-related issues relevant to both the industry and wider society. Group Departmental representatives sit on industry collaboration networks and feedback any important matters relating to climate change to members of the Board Level Committees. For example, our Group Technical Director and Group Sustainability Director sit on the HBF Future Homes Task Force where proposed requirements of the Future Homes Standard are discussed and developed with industry peers. The Sustainability Committee will review performance against agreed group targets and hold management accountable for their performance, including any positive trends or outstanding performance.

**C1.3**

**(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?**

	<b>Provide incentives for the management of climate-related issues</b>	<b>Comment</b>
Row 1	Yes	Incentives are currently provided for site teams dealing with waste, and for employees in selecting company cars.

**C1.3a**

**(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).**

<b>Entitled to incentive</b>	<b>Type of incentive</b>	<b>Activity incentivized</b>	<b>Comment</b>
Management group	Monetary reward	Efficiency target Behavior change related indicator	Site management teams have key performance indicators (KPIs) which they must meet to obtain their quarterly performance bonuses. Waste reduction is one of the KPIs. A portion of their bonus (2.25%) is tied to achieving the group waste target of 6.46

			tonnes/100m2 and demonstrating efficient management of materials on site. The targets that are tied to site management bonuses are reviewed annually. As part of our recently launched sustainability approach, we are reviewing what other sustainability targets could be tied to their bonus, including climate-related initiatives like the reduction of diesel use on site.
All employees	Monetary reward	Environmental criteria included in purchases	We have introduced a new group wide Car Policy which incentivises the selection of fully electric or PHEV cars. Employees who select these low-emission vehicles will receive a monthly discount of £100 for fully electric and £50 for PHEV. Cash lump sums are available for those opting for a car allowance
Management group	Monetary reward	Emissions reduction target	We have how set ambitious 25 quantitative sustainability targets, including science-based carbon targets, As a result the Remuneration Committee as met to discuss plans to introduce carbon emission reduction targets with the Group wide bonus scheme. The expectation is that these targets will be incorporated in the FY 23 bonus evaluation.

## C2. Risks and opportunities

### C2.1

**(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?**

Yes

### C2.1a

**(C2.1a) How does your organization define short-, medium- and long-term time horizons?**

	From (years)	To (years)	Comment
Short-term	1	2	We see our short-term horizon as 1 - 2 years. Changes within this time frame are on the immediate horizon and require any must be embedded in company procedures, e.g new major delivery partner requirements.

Medium-term	3	5	We see medium term as 3 - 5 years. Our current Business Strategy is set to 2025 and targets within our Sustainability Approach have been aligned to this. This horizon also reflects the time scales for major changes in legislation, such as the introduction of the Future Homes Standard into UK building regulations.
Long-term	5	10	Long term horizons are 5+ years and may include predicted impacts of climate change and changes to legislation that have been muted in the sector or consistently delayed by Government. This time frame also includes our 2030 target for becoming Carbon Net Zero in line with our Science Based Targets.

## C2.1b

### (C2.1b) How does your organization define substantive financial or strategic impact on your business?

The company defines a substantive impact as something that has a considerable or relatively significant effect on our business at a corporate and/or strategic level that may (if negative) undermine the entire business or part of it. Quantifiable negative impacts could include, reduced manufacturing output, reduced plot completions and reduced development opportunities. Negative non-financial and strategic impacts could be damage to our reputation, customer satisfaction, market position, our employees, client relationships, supply chain and investor confidence. Substantive positive financial or strategic impacts would have the opposite effects. For example, a substantive strategic impact would occur due to timber shortages of timber in the global or UK markets. A substantive strategic impact occurred recently as a result of a very mild winter where timber could not be felled effectively in Eastern Europe which caused prices to increase. Such a shortage significantly impact our expected production levels and build costs at both our traditional construction sites and our timber frame manufacturing facilities.

Business risks are assessed in the Risk Management Committee, using the following measures; financial loss, e.g.>£15m (significant), fall in service e.g. deadlines not achieved (significant), loss of customers and reputation damage, e.g. national media coverage (significant).

## C2.2

### (C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

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#### Value chain stage(s) covered

- Direct operations
- Upstream
- Downstream

**Risk management process**

Integrated into multi-disciplinary company-wide risk management process

**Frequency of assessment**

More than once a year

**Time horizon(s) covered**

Short-term

Medium-term

Long-term

**Description of process**

The Risk Management Committee has responsibility for risk management, carrying out performance tracking of key risks and ensuring resources are available to adequately manage them. The Sustainability team in collaboration with the Group Risk Director, has compiled an enhanced list of the climate-related risks and opportunities and begun to assess their specific financial impacts. This is in preparation for mandatory reporting by 2022. Internal workshops have been completed in FY21 to ensure that all potential climate related risks and opportunities are included for assessment and to begin to allocate financial figures.

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**Value chain stage(s) covered**

Upstream

Downstream

**Risk management process**

Integrated into multi-disciplinary company-wide risk management process

**Frequency of assessment**

More than once a year

**Time horizon(s) covered**

Short-term

Medium-term

Long-term

**Description of process**

Sustainability risks, including specific elements of climate change (waste, energy, water consumption) are reviewed and monitored at our quarterly Sustainability Committee, chaired by a non-Executive Board Director. This committee monitor and assess the Group's performance in addressing and managing key sustainability risks and material issues, including progress against our science-based carbon targets and road-map to Net Zero Carbon in our operations. Our Group CEO sits on these Committees and is responsible, along with the Director of Sustainability, to ensure that key risks identified in them, are then raised at the Risk Committee.

**Value chain stage(s) covered**

Direct operations  
Upstream  
Downstream

**Risk management process**

Integrated into multi-disciplinary company-wide risk management process

**Frequency of assessment**

More than once a year

**Time horizon(s) covered**

Short-term  
Medium-term

**Description of process**

In line with our ISO14001:2015 Environmental Management System, the Sustainability team maintains a detailed Aspects and Impacts Register, which highlights key group activities and their associated risks and opportunities, including climate-related risks and their impacts on the business. This register is reviewed half yearly by the Sustainability Team and is externally audited by ISOQAR. To make the risk assessment process more aligned and streamlined, the Aspects and Impacts Register and the Sustainability Risk Register will be combined, whilst still ensuring compliance with the requirements of the ISO14001 standard. The identified risks in the Sustainability Risk Register are scored before and after material controls are put in place, and also provides an opportunity to identify potential improvement actions.

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**Value chain stage(s) covered**

Direct operations  
Upstream  
Downstream

**Risk management process**

Integrated into multi-disciplinary company-wide risk management process

**Frequency of assessment**

More than once a year

**Time horizon(s) covered**

Short-term  
Medium-term

**Description of process**

Climate-related risks are also fed to the Executive Committee by relevant department leads when required. For example, the interim uplift to the UK Building Regulations Part L standard (which deals with the heating and power in homes) have been assessed and costed by our Group Technical Director to understand the operational and financial

implications. This Director presented his findings and recommendations to the Executive Committee in June 2021.

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**Value chain stage(s) covered**

Direct operations  
Downstream

**Risk management process**

Integrated into multi-disciplinary company-wide risk management process

**Frequency of assessment**

More than once a year

**Time horizon(s) covered**

Short-term  
Medium-term  
Long-term

**Description of process**

At a project level climate-related risks are identified and assessed prior to site acquisition and start on site. These are risks such as 1 in 100-year flood events on the development, overheating in homes, land remediation as well as any specific climate-related requirements set by the local authority (such as building homes to a Passive Haus standard or going beyond the existing Building Regulations). All project-level risks are reviewed with internal technical departments, and external consultants and mitigation measures are implemented into masterplans, design specifications and site logistics plans, where required. The risks and associated mitigation measures are also costed and included in appropriate budgets and construction build programmes.

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**Value chain stage(s) covered**

Downstream

**Risk management process**

Integrated into multi-disciplinary company-wide risk management process

**Frequency of assessment**

More than once a year

**Time horizon(s) covered**

Short-term  
Medium-term  
Long-term

**Description of process**

Investment Committee - All potential development projects are reviewed and signed off by the Investment Committee at scheduled meetings. Climate-related risks, such as

flood risk level of the site, opportunities for material reuse and ecological impact will be reviewed and considered as part of the decision to proceed with a particular development. The Investment Committee also evaluate and agree to proceed on major capital investment.(Opportunity) Most recently investing in a modern factory with significant renewable energy generation capacity through a very large roof mounted solar PV array

## C2.2a

### (C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Compliance with current legislation is a risk included within our Corporate Risk Register and therefore is monitored and assessed by our Risk Management Committee and Board. The associated reputational, operational and financial impacts from non-compliance are categorised as Significant, Moderate, Low and Negligible. Non-compliance with regulation can result in fines from Enforcement Authorities, works stopped on site and reputational damage that may result in divestment by investors and poor sales performance.
Emerging regulation	Relevant, always included	<p>Keeping up to date with emerging regulation and legislation is a risk included within our Corporate Risk Register and therefore is monitored and assessed by our Risk Management Committee and Board.</p> <p>Risks associated with emerging regulation include failure to identify applicable changes, failure to embed changes into relevant business processes and failure to account for increases in financial and resource commitments needed to deliver new requirements. There are also reputational risks if requirements from emerging regulations are not implemented fully by required deadlines and this becomes known to regulatory authorities, employees and both current and potential customers.</p> <p>From 2022, all listed companies in the UK will have to report in line with the TCFD recommendations within its annual report. To ensure we comply with this new reporting requirements, we have assessed the gaps in our business relating to the recommendations and put in place a plan of action to address these. As a first measure, in 2021 we collated a list of climate-related risks and opportunities with colleagues across the organisation and have begun to assess their specific financial implications.</p>
Technology	Relevant, always included	Technology has been identified as a key risk to the business in addressing climate change. Technology-related risks include, failure to account for increased costs of more efficient or newly specified technology, e.g technology we may want to use in response to the Future Homes Standard; failure to effectively engage new and potential

		customers in low-carbon technologies installed in the homes we build leading to dissatisfaction and ineffective utilisation; failure to effectively liaise with trades on our sites impacted by the phase-out of gas boilers in our homes resulting in impacts to delivery capabilities and non-compliance in building regulation requirements.
Legal	Relevant, always included	The risk of climate-related litigation is features on our Sustainability Risk Register. Litigation could arise as a result of our failure to meet required regulations and failure to adequately plan for physical risks from climate change (e.g. flood risk, extreme weather events). The Future Homes Standard is proposing to make photographic evidence mandatory on every newly built dwelling. Photographs would be required as construction work progresses to prove the correct specification is being used. This could result in potential future litigation from customers dissatisfied with their homes' performance, who, through a Freedom of Information Act request, seek the photographic evidence
Market	Relevant, always included	The Sustainability register includes risks associated with the ever-changing market. There is more awareness of climate-related risks and impacts from the general public, employees, investors and potential homebuyers which is leading to greater expectations around our actions, intentions and outcomes related to climate change. We need to ensure that customers are attracted to our homes and that we can meet the demand for sustainable homes to ensure good revenues, but also to protect our reputation as a sustainable developer. If we do not effectively respond to market demands this may impact staff retention and our ability to attract new talent, e.g. Graduates, which in turn also has a financial impact.
Reputation	Relevant, always included	Reputational damage is used to assess the impacts of identified risks on the Corporate Risk Register. A significant reputational impact is described as 'Significant adverse national media or public coverage. Public statements required to respond to the situation'. Climate-related issues, such as flooding, water shortages and overheating are becoming increasingly known to the public, and society is looking to businesses to respond effectively. Investors are also becoming increasing interested in how businesses are identifying and managing their climate-related risks. We need to demonstrate that we operate as a sustainable business to protect our ability to feature in the competitive market, for purchase of land, successful granting of planning permissions and opportunities to be a partner on Joint Venture schemes with Housing Associations and other providers.
Acute physical	Relevant, always included	Acute physical risks such as increasing occurrences of severe weather, including flooding, increased rainfall and heatwaves are included in our climate-related risk and opportunity register. The impacts of these risks

		<p>include programme delays as a result of significant weather events (like flooding or substantial rain or snowfall). Such events would make access to site extremely difficult (rain impacting access to sites with unsealed roads), unsuitable working conditions, (e.g. material movement machinery unable to cope with wet soil conditions), damage to stored materials and existing structures and an inability of trades (such as brick laying, rendering, groundworks) to work. The risk of on-site flooding may be exacerbated when a site is still in construction if early drainage infrastructure works are not yet in place. With increased temperatures in the form of heatwaves, there are associated risks such as trades who work at height such as scaffolders would not be able to safely work in temperatures over 30oc, concrete curing would be impacted and mitigation measures would have to be out in place to prevent accelerated curing times. These kind of significant delays would lead to a negative financial impact and operating budgets.</p>
Chronic physical	Relevant, always included	<p>Chronic physical risks such as warmer temperatures and rising sea levels are included in our Sustainability Risk Register.</p> <p>With maximum summer and winter temperature averages increasing, a higher number of homes in our geographical southern regions will be at risk of overheating. Homes in these areas will need specific design considerations (including their orientation, shading and ventilation) and potentially alternative build requirements that could result in increased costs to the company.</p> <p>With anticipated rising sea levels, homes that are constructed on land already identified as a flood zone, may see an increased likelihood of flooding in their home. Rising sea levels will also result in changes to flood zones, which means that any land we previously purchased for development would have to be reassessed to determine if it now sits within a flood zone to identify if the risk of flooding has increased. Any potential financial and viability impacts would also need to be assessed and some land may then be determined to be unsuitable for development. Certain areas of the country will also be more vulnerable than others.</p>

## C2.3

**(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes

## C2.3a

**(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.**

## Identifier

Risk 1

## Where in the value chain does the risk driver occur?

Direct operations

## Risk type & Primary climate-related risk driver

Emerging regulation

Mandates on and regulation of existing products and services

## Primary potential financial impact

Increased indirect (operating) costs

## Company-specific description

The Government have committed to achieving Net Zero Emissions by 2050. To help achieve this, they are introducing the Future Homes Standard (FHS) across the UK, which has stretching requirements for new build homes through updated building regulations. For example, the FHS will require developers to design and construct new homes with alternative heating systems to gas boilers by 2025, and improved ventilation mechanisms to prevent overheating. These significant changes to traditional heating and ventilation methodologies may lead to significant increases in capital costs for installing alternative technologies, e.g. Air Source heat pumps. In preparation for the FHS an interim uplift to Part F (ventilation) and Part L (conservation of fuel and power) standards is being introduced. Our Group Technical Director and Commercial Director have calculated the estimated increase in costs for equipment and labour to meet the interim requirements. Due to economies of scale, we estimate that prices for equipment, technology and labour are likely to fall in future years as the FHS becomes ubiquitous, however the interim uplift to Parts F & L will result in a short-term cost increase per dwelling as the market supply of labour, equipment and technology is low. The bench-marking exercise conducted by the two directors is a key first step to assessing and understanding the longer-term financial impacts of the emerging regulation. New lower-carbon products and technologies that are designed and installed into our homes to comply with changing regulatory requirements are likely to be unfamiliar to customers. Our internal sales and marketing teams will require a strong understanding of these technologies and products in order to pitch the benefits and allay any fears to prospective buyers and our customer service teams will also need a similar level of understanding in order to support customers as they move into their new homes through our home demonstrations. This would consist of least a half-day training on the FHS and what it means for us as a developer and for our customers and followed up by further training to explain our chosen low-carbon products / technologies in the homes, how they operate, and how to handle any issues. This second level of training would take at least one full day, including site visits and walk-through of the new homes by the teams to completely familiarise themselves with the technology.

## Time horizon

Short-term

## Likelihood

Virtually certain

**Magnitude of impact**

Medium-high

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

14,336,889.89

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact figure**

Our Group Technical and Commercial Directors have calculated the estimated costs of equipment and labour required to fulfil the requirements of the Interim Building Regulations uplift (Parts F & L uplift. Based on their chosen preferred option to achieve the requirements, the average cost increase for a traditional masonry build would be £4,075.84. For a timber frame build this would be £4,373.45. Based on the number of completions in FY20 (616 masonry build and 2130 timber frame build homes) this results in a total estimated cost increase of £ 14,336,889.89

Cost of response to risk

30,000

**Description of response and explanation of cost calculation**

This figure represents the estimated time spent with external consultants to identify the most cost-effective way to meet the interim Building Regulations uplift (Part F/L), internal resource time spent of calculating costs, briefing the Executive Committee on potential impacts to the business and research into training material for the Customer and Sales & Marketing Departments.

**Comment**

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**Identifier**

Risk 2

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type & Primary climate-related risk driver**

Emerging regulation

Carbon pricing mechanisms

## **Primary potential financial impact**

Increased direct costs

## **Company-specific description**

In June 2019, the UK became the first major economy in the world to enact legislation to guarantee an end to its contribution to global warming by 2050 by achieving net zero greenhouse gas emissions by 2050. This new legislation replaced the commitment set in the Climate Change Act 2010, which had required a reduction of at least 80% from 1990 levels. Red diesel is used mainly for off-road purposes and in the construction/housing sector to power mobile plant and equipment. It accounts for around 15% of all the diesel used in the UK and is responsible for the production of nearly 14 million tonnes of carbon dioxide a year. In order to drive a significant reduction in the use of red diesel, the Government has announced that the tax relief and its permitted use in the construction industry will be revoked on April 1, 2022. The tax relief incurred currently as a result of using Red Diesel equates to a saving of approximately 49p per litre compared with standard diesel. In FY20 we purchased 1,537,614 litres of Red Diesel at a cost of £1,045,577.52. Once the permission and therefore tax exemption and is withdrawn in April 2022, we will see significant cost increases per year.

## **Time horizon**

Short-term

## **Likelihood**

Virtually certain

## **Magnitude of impact**

Medium-high

## **Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

## **Potential financial impact figure (currency)**

753,430.86

## **Potential financial impact figure – minimum (currency)**

## **Potential financial impact figure – maximum (currency)**

## **Explanation of financial impact figure**

In FY21 we purchased 1,537,614 litres of red diesel at a cost of £1,045,577.52. Once the permission/tax exemption has been removed, this will result in an increased approximate cost to £1.17/Litre of Red Diesel. £1.17 multiplied by 1,537,614 litres equates to a total cost of £1,799,008.38 and therefore an increased cost to the business of £753,430.86

## **Cost of response to risk**

2,000

### **Description of response and explanation of cost calculation**

We have been engaging with our current fuel, plant and equipment suppliers to undertake trials on our sites to identify the viability of switching to Hydrogenated Vegetable Oil (HVO) as an alternative fuel source. These trials have taken time and resources to organise.

### **Comment**

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### **Identifier**

Risk 3

### **Where in the value chain does the risk driver occur?**

Direct operations

### **Risk type & Primary climate-related risk driver**

Chronic physical

Changes in precipitation patterns and extreme variability in weather patterns

### **Primary potential financial impact**

Increased indirect (operating) costs

### **Company-specific description**

According to the State of the UK Climate 2019 (issued July 2020), the most recent decade of UK summers has been on average 11% wetter than 1981–2010 and 13% wetter than 1961–1990. UK winters have been 4% wetter than 1981–2010 and 12% wetter than 1961–1990. Increasingly wetter conditions will impact our delivery programmes where traditional construction methods are still used. These sites will be outdoors, and therefore, severely impacted by wet weather conditions and extreme heat events. Heavy rainfall can prevent certain trades from completing works, such as brick laying, rendering and groundworks, and can cause damage to materials stored on site. Such weather conditions also create increased health and safety risks on sites from slips, trips and falls. Delays to our build programmes may also occur if the site drainage systems are overwhelmed in the early stages of development before initial infrastructure has been fully installed. All these impacts culminate in programme delays, which have financial impacts for the business.

The chance of a summer as hot as 2018 is around 50% by 2050. Projections show that maximum summer temperatures could rise by 6 - 9°C by the end of the century. In studies conducted on a sample of buildings, it has been shown that in England 20% of homes overheat in the summer in the current climate. With warmer weather and regulations on air tightness increasing, there is a serious risk to thermal comfort and health. High temperatures also create issues during the construction phase of a development. For example trades completed at height, such as scaffolding and roofing, face increased health and safety risks in temperatures above 30C. These risks would prevent them from working as a safety precaution. Hot weather conditions also create

issues for concrete curing, with curing times accelerated in the heat, which would need mitigation such as coverings to protect from the heat of the sun and good site management.

**Time horizon**

Medium-term

**Likelihood**

About as likely as not

**Magnitude of impact**

High

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

5,501,200

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact figure**

For one of our traditional masonry build designs, the weekly preliminary costs are around £15-20k per week; for a timber frame construction, this is between £10-15k per week. It is estimated that in a severe winter of flood and snow, there is around 8 weeks programme delay to the average development. Based on project completions in FY20, if each one suffered an 8-week programme delay as a result of wet weather, this would equate to approximately £3,880,000.

A 2019 Ministry of Housing, Communities & Local Government research project into overheating in new homes estimates that it would cost approximately £400 per home for future design components to mitigate against overheating, such as through improved glazing to reduce solar gain, and internal and external shading solutions. A cost of £400 multiplied by our completion numbers for FY20 (4,053) would equate to £1,621,200.

**Cost of response to risk**

800

**Description of response and explanation of cost calculation**

It is important to monitor weather patterns and feed trends into risk registers to help inform programme and resource planning. Met Office weather reports can be purchased for use by the construction industry for approximately £800, which can help with financial claims for 'exceptionally inclement weather' events.

**Comment**

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**Identifier**

Risk 4

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type & Primary climate-related risk driver**

Current regulation  
Carbon pricing mechanisms

**Primary potential financial impact**

Increased direct costs

**Company-specific description**

The Government has made the UK Emissions Trading Scheme (UK ETS) for materials more ambitious than the EU scheme, such that, from day one the cap on CO2 emissions is 5% lower. The cap will be further decreased each year to reduce emissions to meet the UK Government's net zero 2050 target. In the last twelve months we have seen a more than doubling of European CO2 prices. One of our suppliers has written to Countryside to explain that an environmental surcharge will be applied to all deliveries or collections from 1st July 2021 for all products containing cement & lime. The surcharges will be passed onto customers at the following rates per unit; Dry Silo Mortar @ £0.67, ready to use mortar @ £1.17, screed @ £0.73, Cement Bound Sand @ £0.35 and Lime Sand @ £0.11. These surcharges remain subject to change based on the UK Government's UK ETS.

**Time horizon**

Short-term

**Likelihood**

Very likely

**Magnitude of impact**

Medium-high

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

9,356

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact figure**

We purchased 3,143 tonnes of Dry Silo Mix from our main supplier in FY20 and 6,197 tonnes of Ready to Use Mortar. Based on these quantities, the surcharge has been added and an estimate calculated. However due to the way contracts are set up, the majority of the impacted products are included within subcontractor packages, e.g. mortar in bricklayers packages and floor screed in groundworker package, therefore the true impact of the cost increases is not known, however the knock on financial impact is envisaged to be substantial

**Cost of response to risk**

2,000

**Description of response and explanation of cost calculation**

Management costs for monitoring of further increases to surcharge costs, completed by the Group Procurement department.

**Comment**

## C2.4

**(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes

## C2.4a

**(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.**

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**Identifier**

Opp1

**Where in the value chain does the opportunity occur?**

Direct operations

**Opportunity type**

Resource efficiency

**Primary climate-related opportunity driver**

Use of more efficient production and distribution processes

**Primary potential financial impact**

Reduced direct costs

**Company-specific description**

We spent £4,528,456 on direct waste disposal in FY20; there were also indirect costs for waste disposal included within sub-contractor packages, which combined is a large

cost to the business. Our Sustainability Approach details targets around waste reduction, which will in turn help us realise financial savings. The targets are; 'Reduce construction waste intensity by 20% by 2025 against our baseline in 2019' and to 'maintain 98% of waste diverted from landfill'. The latter will help to minimise the impact felt as a result of annual landfill tax price increases.

**Time horizon**

Medium-term

**Likelihood**

Virtually certain

**Magnitude of impact**

High

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

45,285

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact figure**

With a target to reduce our construction waste intensity figure by 20% by 2025, this will result in a cost saving to the business. We have a number of long-term agreements which means that some waste management contract costs remain reasonably unaffected however we can estimate that a 20% reduction in waste could result in direct cost savings of around 5%. This figure has been divided across the target window to get the annual saving. There will be further indirect cost savings for sub-contractor waste disposal however these have not been quantified.

**Cost to realize opportunity**

30,000

**Strategy to realize opportunity and explanation of cost calculation**

Targets within the Sustainability Approach have been approved by the Board and Executive Committee and communicated to all senior leadership teams and the wider organisation. Site management teams are allocated a portion (2.5%) of their bonus based on how well they reduce waste on their sites in line with our targets. We have installed the BRE SMARTWaste system at a cost of £28k per year, which allows us to compile more accurate waste reports and investigate specific waste streams across the business. This level of detail helps the sustainability team develop group-wide initiatives to reduce the various waste streams and to track and communicate regional performance against the targets on a monthly basis at the

regional Board meetings. . In our northern operational regions we have a contract in place with one waste management provider to manage all waste removal and reporting across the sites. In 2019, we established an Application Programme Interface (API) with that waste management provider's internal system to enable waste data to be automatically fed into our SMARTWaste system on a monthly basis. This removes the element of human error ensuring accurate data and additional time that would normally be required to collate and input waste data from the various waste management companies.

'Waste Champions' are in place within each division and also on site, to drive improvements in resource and waste management and to drive site-specific reduction initiatives.

## Comment

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### Identifier

Opp2

### Where in the value chain does the opportunity occur?

Direct operations

### Opportunity type

Resource efficiency

### Primary climate-related opportunity driver

Use of more efficient production and distribution processes

### Primary potential financial impact

Reduced indirect (operating) costs

### Company-specific description

Adopting modern methods of construction (MMC), like modular timber frames, is key to delivering homes at the scale, pace and quality we need, whilst also delivering more sustainable outcomes. We have invested in our own manufacturing facilities in Cheshire and Leicestershire. to produce both open and closed panel timber frames. Owning our own factories allows us to control the sources of energy used to power the factories, such as through the use of PV panels or establishing a Power Purchase Agreement for renewable energy. As part of our Sustainability Approach, we have set a target to produce at least 50% of all our homes using MMC by 2025 and to deliver at least 20,000 new homes from our factories in the same timeframe. This level of commitment and investment to MMC gives us a competitive advantage in bidding for developments from central and local government, and is seen favourably by clients and investors as a demonstration of our ability to provide a product with lower embodied carbon. Open and closed panel timber frame manufacturing has several environmental benefits, including a reduction in waste, embodied carbon and energy consumption, and making the homes more thermally efficient for customers. Using a closed panel system has further advantages for waste reduction as materials can be purchased in bulk and sized to fit

the building panels. Any waste can then be used in another area of the production line, or alternatively recycled.

Carbon emissions relating to buildings currently contribute approximately 40% of all global CO<sub>2</sub> emissions. Add to that the energy and carbon used to manufacture the materials we use (embodied carbon) and we can see why there is such a focus on the construction industry to play its part in the fight against climate change. For the housebuilding sector, timber frame construction is an effective way to work towards achieving industry carbon reduction targets and to satisfy the increasing desire of customers to live in a low carbon home. A Timber Frame home can be constructed faster than a traditional build home (approximately 4 weeks for a 3-bed home design), which saves time on the development programme and costs. Timber Frame homes are also water-tight in a shorter time period than traditional build, which reduces the negative impacts of wet weather and extreme temperatures.

**Time horizon**

Short-term

**Likelihood**

Very likely

**Magnitude of impact**

High

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

14,365,000

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact figure**

We completed approximately 17 development projects using traditional build methods in FY20. If these were built in Timber Frame, it would equate to an approximate saving of £14,365,000 based on estimated comparative prelim costs per week.

**Cost to realize opportunity**

26,000,000

**Strategy to realize opportunity and explanation of cost calculation**

We have already invested nearly £6m into our manufacturing facility in Warrington, which produces fully formed closed panel timber frames. We have also invested circa £20m in the construction of a brand-new factory in Bardon, Leicestershire, targeted to be operational by Autumn 2021.

**Comment**

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**Identifier**

Opp3

**Where in the value chain does the opportunity occur?**

Direct operations

**Opportunity type**

Energy source

**Primary climate-related opportunity driver**

Use of lower-emission sources of energy

**Primary potential financial impact**

Reduced indirect (operating) costs

**Company-specific description**

In June 2019, the UK became the first major economy in the world to enact legislation to guarantee an end to its contribution to global warming by 2050 by achieving net zero greenhouse gas emissions by 2050. This new legislation replaced the commitment set in the Climate Change Act 2010, which had required a reduction of at least 80% from 1990 levels. Red diesel accounts for around 15% of all the diesel used in the UK and is responsible for the production of nearly 14 million tonnes of carbon dioxide a year. We use red diesel on our operational sites to power mobile plant and electricity generation. In FY20 we purchased 1,537,614 litres of red diesel at a cost of £1,045,577.52. In order to drive a significant reduction in the use of red diesel, the Government has announced that the use of red diesel in the construction industry and therefore associated tax relief will be revoked on April 1, 2022. The tax relief incurred currently equates to a saving of approximately 49p per litre compared with standard diesel. Once access to the tax relief benefit is withdrawn, we will see significant cost increases. However, the tax relief withdrawal also presents an opportunity and business case for switching away from diesel use on sites (to a low-emission alternative), which could provide a cost savings and a reduction in our operational emissions, however if we switch to HVO as an alternative this can provide cost savings.

**Time horizon**

Short-term

**Likelihood**

Virtually certain

**Magnitude of impact**

High

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

645,797.88

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact figure**

We purchased 1,537,614 litres of fuel in FY20. If we purchased this same quantity each year, but used an alternative low emission source (like hydrogenerated vegetable oil) instead of red diesel in FY21 (after the withdrawal of the Tax Exemption) this would equate to a saving of £645,797.88

**Cost to realize opportunity**

2,000

**Strategy to realize opportunity and explanation of cost calculation**

Research into the viability of using HVO on our operational sites has started with positive results. Our Group Procurement teams are also working hard to secure supply deals, which requires management costs.

**Comment**

## C3. Business Strategy

### C3.1

**(C3.1) Have climate-related risks and opportunities influenced your organization’s strategy and/or financial planning?**

Yes

### C3.1b

**(C3.1b) Does your organization intend to publish a low-carbon transition plan in the next two years?**

	<b>Intention to publish a low-carbon transition plan</b>	<b>Intention to include the transition plan as a scheduled resolution item at Annual General Meetings (AGMs)</b>	<b>Comment</b>
Row 1	Yes, in the next two years	Yes, we intend to include it as a scheduled AGM resolution item	In 2021 we will be publishing our business Pathway to Net Zero. This document will outline how we intend to meet the requirements of the

			Future Homes Standard as well as publish our roadmap to achieving our the launch of our Science Based Carbon Targets (which will be verified by the SBTi ).
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## C3.2

### (C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

No, but we anticipate using qualitative and/or quantitative analysis in the next two years

## C3.2b

### (C3.2b) Why does your organization not use climate-related scenario analysis to inform its strategy?

We have not, to date, used climate-related scenario analysis to inform our current strategy. The business developed and launched its Approach to Sustainability in May 2021, which drew together key priorities and targets, including those to address climate-related risks and opportunities. A formal approach was previously missing. As the first priority, we embarked on the journey of developing our Science Based Carbon Targets in the spring of 2021. The science-based carbon targets will play a fundamental part of the development of our Net Zero Pathway (due in the autumn of 2021). We see scenario analysis very much as the next phase of embedding our Net Zero Pathway within the business and in meeting the requirements of the TCFD. We have already secured budget for scenario analysis in our FY22 budget. As mentioned above, in preparing our formal approach sustainability and TCFD reporting, decisions had to be were made to prioritise the different elements of an effective climate change strategy and disclosure, which is why up to this point, scenario analysis has not been used to inform our business strategy. During the development of scenario analysis in our FY22, we will work to develop a range of scenarios which are relevant, plausible, distinctive and consistent. We intent to develop this range of scenarios across a defined range of time horizons and to use the results of the analysis to inform our Pathway to Net Zero as well as assess the resiliency of our strategic management plans for climate change on our developments and for our business.

## C3.3

### (C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	As a home builder, we have assessed the key risks and opportunities relating to our product. Chronic risks, such as

		<p>rising temperatures need to be considered if the design of new homes, to ensure the health and wellbeing of our customers, while increasing expectations for sustainable building processes, practices and materials will drive opportunities for us to differentiate ourselves from competitors. Within our Sustainability Approach we have set an ambition to efficiently and responsibly build 45,000 new sustainable homes by 2025. Adopting modern methods of construction (MMC), like modular timber frames, is key to delivering this ambition by helping us to build homes at the scale, pace and quality we need, whilst also delivering more sustainable outcomes for the business. Modular timber frame manufacturing also has a number of environmental benefits, including reductions in waste and energy consumption, improved thermal efficiency of the homes in use and less embodied carbon. A study commissioned by Countryside in 2020 (and completed by a specialist consultancy) established that one of our closed panel timber frames homes has approximately 14,450 kgCO<sub>2</sub>e less embodied carbon than a home (of the same build design), built using traditional construction methods. We have already invested nearly £6m into our manufacturing facility in Cheshire, which produces fully formed closed panel timber frames. We have also invested circa £20m in the construction of a brand-new factory in Bardonia, Leicestershire, targeted to be operational by 2021. We have set two ambitious targets within our Sustainability Approach relating to MMC; to build at least 50% of our homes using MMC and to deliver at least 20,000 new homes from our factories; both by 2025. Owning and operating our own factories potentially gives us a competitive edge with public funding bodies, such as Homes England, who are seeking delivery partners that are using MMC. It also means that we will be purchasing significant quantities of timber from suppliers, which should give us the ability to negotiate high levels of certification and potentially set parameters around the countries from which we will purchase timber (i.e. we can select those at lower risk of the impacts of climate change), quality of timber supplies and stability/security of its supply (including cost fluctuations).</p>
Supply chain and/or value chain	Yes	<p>In developing our science-based carbon targets, we recognise that our supply chain are key contributors to our Scope 3 emissions. Without their own involvement and engagement in reducing their emissions and operational</p>

		<p>impact on the climate, we will not be able to achieve our targets. We want to support our supply chain to develop the skills and knowledge they need to join us in our shared carbon reduction journey. To do that, we joined the Supply Chain Sustainability School in early 2021. The School is a free resource to our supply chain that provides training and learning in 17 key areas of sustainability, including climate change. We have a target within our Sustainability Approach to help drive our supply chain's engagement with the School, which is: 85% of our supply chain signed up to the Supply Chain Sustainability School by 2025. We also have sustainable procurement policies in place, which set requirements for our supply chain around key environmental and social issues. Our pre-qualification questionnaires for suppliers, subcontractors and principle contractors ask questions about environmental management and climate change, such as can you supply alternative products with lower embodied carbon. We employ local suppliers and subcontractors where we can.</p>
Investment in R&D	Yes	<p>We have heavily invested in our Timber Frame manufacturing facilities and are always looking at ways to improve processes to realise further carbon savings. This includes researching design and construction features, such as brick slips, prefabricated stairs and pre-installed plumbing and electric technologies.</p>
Operations	Yes	<p>The Government will scrap the tax relief for red diesel in April 2022, as a means to encourage businesses to innovate and invest in plant and equipment powered by alternative fuels. We are working with our plant hire suppliers to optimise the use of our generators on site, whilst also exploring alternative energy sources, including hydrogenated vegetable oil (HVO). Diesel was a large proportion of our Scope 1 Carbon Emissions in FY20. The risk of increased flooding and heavy rainfalls has been identified by Countryside. We are exploring a potential online platform to hold details on all the areas of the country considered at risk of flooding, both now and in future scenarios. This will assist us to better cost and design appropriate mitigation measures on land we are seeking to purchase or in bids with potential partners. We have also set a target to reduce the water consumption in homes by committing to going beyond the UK Building Regulations for an average litre consumption per person per day. This target has been set in part to help mitigate the risk of water scarcity in the future as a result of climate change and</p>

		warming temperatures. . In order for us to achieve the targets and ambitions set within our Sustainability Approach, our employees need the right skills, knowledge and experience, including around the critical issue of climate change. We must ensure we support our employees with the right training and support. We have set a target to ' provide an average of one day sustainability training and development per employee from 2022'. In FY20, 75 employees in operational roles successfully attended the Environmental Awareness Training Scheme (“SEATS”) course.
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### C3.4

**(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.**

	Financial planning elements that have been influenced	Description of influence
Row 1	Direct costs Indirect costs Capital expenditures	Capital expenditures - We have already invested nearly £6m into our manufacturing facility in Cheshire, which produces fully formed closed panel timber frames and also invested circa £20m in the construction of a brand new factory in Leicestershire, targeted to be operational by autumn 2021. This medium term expenditure into the manufacturing arm of the business is in line with the ambitions of the company Sustainability Approach. This is in response to securing a low carbon construction method which also has the added benefits of greater cost and materials supply control. Indirect costs: Increase in the cost of fuel, electricity and gas (we use hybrid generators and Temporary Builders Supplies where possible), increased costs of waste disposal (annual increase to landfill tax, less demand for biomass fuel in milder winters, less space in landfills so further distances to be travelled). We agree fixed deals with waste suppliers for three years to mitigate some of these indirect costs, including insisting on diversion from landfills where possible. Direct costs: redesigning homes to meet interim UK Building Regulations (Part L & F) uplift requirements in 2021, and ultimately the new Future Homes Standard (we have completed a financial assessment to estimate the cost increases for both equipment and labour as a result of the upcoming changes to the Building Regulations); impacts on build programme as a result of flooding to the site /damaged material; increasing costs of raw materials, including the impact of UK Emissions Trading Scheme (UK ETS) on some products, costs of completing homes. Savings opportunities: move to fuel alternatives (such as hydrogenated vegetable oil) in anticipation of the removal of tax exemption on red diesel; contaminated land tax relief (remediate and

		keep on site rather than select off-site waste disposal; tax refill from investment in R&D; large number of brownfield land sites selected; significant investment into MMC timber frame factories, and resulting reduction in waste and energy consumption.
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### C3.4a

**(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).**

## C4. Targets and performance

### C4.1

**(C4.1) Did you have an emissions target that was active in the reporting year?**

Intensity target

### C4.1b

**(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).**

**Target reference number**

Int 1

**Year target was set**

2019

**Target coverage**

Business activity

**Scope(s) (or Scope 3 category)**

Scope 1+2 (location-based)

**Intensity metric**

Metric tons CO<sub>2</sub>e per square meter

**Base year**

2018

**Intensity figure in base year (metric tons CO<sub>2</sub>e per unit of activity)**

0.014

**% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure**

91.12

**Target year**

2021

**Targeted reduction from base year (%)**

15

**Intensity figure in target year (metric tons CO<sub>2</sub>e per unit of activity) [auto-calculated]**

0.0119

**% change anticipated in absolute Scope 1+2 emissions**

23

**% change anticipated in absolute Scope 3 emissions**

**Intensity figure in reporting year (metric tons CO<sub>2</sub>e per unit of activity)**

0.014

**% of target achieved [auto-calculated]**

0

**Target status in reporting year**

Revised

**Is this a science-based target?**

No, but we anticipate setting one in the next 2 years

**Target ambition**

**Please explain (including target coverage)**

We have a target of continual improvement in our energy performance on our construction sites for Scope 1, 2 and 3 emissions. This target covers all our construction sites and operations in the business as well as emissions from purchased electricity and natural gas and gas oil in generators. The target seeks an annual improvement on the previous year's performance, so in 2019 we were using our 2018 performance as the baseline.

## C4.2

**(C4.2) Did you have any other climate-related targets that were active in the reporting year?**

No other climate-related targets

## C4.3

**(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.**

Yes

### C4.3a

**(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.**

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	1	3,717.58
Implementation commenced*	0	0
Implemented*	2	678
Not to be implemented	0	0

### C4.3b

**(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.**

**Initiative category & Initiative type**

Transportation  
Company fleet vehicle efficiency

**Estimated annual CO2e savings (metric tonnes CO2e)**

589

**Scope(s)**

Scope 3

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

0

**Investment required (unit currency – as specified in C0.4)**

4,874,850

**Payback period**

No payback

**Estimated lifetime of the initiative**

1-2 years

**Comment**

Employees eligible for a company car can opt to either lease a company car or to use their own personal vehicle and receive their full allowance as part of their pay. For both “car allowance” and “company car” drivers, we have introduced incentives for selecting fully electric and plug-in hybrid vehicles (PHEV). These incentives are:

Incentive		Fully Electric PHEV
Company Car	Monthly discount	£100
Car Allowance	One-off payment	£1,200
		£50
		£600

Investment required figure calculated base on how many employees have taken up the scheme to date and an average uplift cost of 15% compared to an average Diesel car. No Class 1A NI savings in FY 20.

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**Initiative category & Initiative type**

Waste reduction and material circularity  
Waste reduction

**Estimated annual CO2e savings (metric tonnes CO2e)**

89

**Scope(s)**

Scope 3

**Voluntary/Mandatory**

Mandatory

**Annual monetary savings (unit currency – as specified in C0.4)**

45,285

**Investment required (unit currency – as specified in C0.4)**

30,000

**Payback period**

<1 year

**Estimated lifetime of the initiative**

3-5 years

**Comment**

With a target to reduce our construction waste intensity figure by 20% by 2025, this will result in a cost saving to the business. We have a number of long-term agreements which means that some waste management contract costs remain reasonably unaffected however we can estimate that a 20% reduction in waste could result in direct

cost savings of around 5%. This figure has been divided across the target window to get the annual saving. There will be further indirect cost savings for sub-contractor waste disposal however these have not been quantified.

## C4.3c

### (C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	<p>Compliance with waste legislation and regulatory requirements is a priority for our business and is a mechanism for driving down emissions. This will include improved waste segregation and management on site in line with the CL:aire CoP; by re-using material on site in line with a Materials Management Plan (MMP), which can reduce costs through reduced disposal and emissions from vehicle movements.</p> <p>We are fully compliant with the mandatory ESOS scheme which identifies emissions reduction initiatives for implementation.</p>
Employee engagement	<p>We engage with our employees through a variety of mechanisms, including training, our intranet, toolbox talks, regional engagement groups, and as part of internal environmental audits we undertake on sites and in our offices.</p> <p>It is a mandatory requirement for our Site Managers and Assistant Site Managers to attend the Construction Industry Training Board's (CITB) Site Environmental Awareness Training Scheme. The course focuses on construction site environmental issues, including climate change related issues. The course brings our site teams' knowledge of sustainability and the environment up to date by covering various aspects of the subject and the legislation that goes with them. We have recently become a Partner member of the Supply Chain Sustainability School, which provides a wide variety of training and learning around 17 key areas of sustainability, including climate change, carbon footprints, biodiversity, and sustainable procurement. All employees have been encouraged to register with the School in order to help improve understanding and awareness, and engage employees in our approach to sustainability.</p>
Internal incentives/recognition programs	<p>We incentivise our employees to select lower emission vehicles. For both allowance and company car drivers there are incentives run from £50 to £1,200 depending on the employee's circumstances and vehicle choice. Site management teams have key performance indicators (KPIs) which they must meet to obtain their quarterly performance bonuses. Waste reduction is one of the KPIs. A portion of their bonus (2.25%) is tied to achieving the group waste target of 6.46 tonnes/100m<sup>2</sup> and demonstrating efficient management of materials on site. The targets that are tied to site management bonuses are</p>

	reviewed annually. As part of our recently launched sustainability approach, we are reviewing what other sustainability targets could be tied to their bonus, including climate-related initiatives like the reduction of diesel use on site.
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## C4.5

**(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?**

Yes

## C4.5a

**(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.**

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### Level of aggregation

Product

### Description of product/Group of products

As part of our build process we are committed to making our houses energy and water efficient by installing systems that enable our customers to live a more low-carbon lifestyles and reduce their utility bills. In designing and building our homes, we use the Standard Assessment Procedure ("SAP") to measure each dwelling's efficiency. In 2020 our average SAP rating was 83.80 (out of 100).

We also install low-energy heating and cooling systems and A-rated appliances in our homes. When we hand over a brand-new home to a customer, we give them a "home demonstration", part of which focusses heavily on how they can maximise the efficiency of their appliances, heating and cooling systems. To drive further efficiency around water consumption in homes, we have put in place a target to achieve 105 litres per person per day in every home we build. This represents a 16% efficiency gain on current Building Regulations and will be achieved through products like low-flow taps and showerheads, aerators, etc.

When planning our developments, we seek to encourage more sustainable modes of travel by future residents by installing cycle paths and secure cycle storage, EV charging points, safe and well-lit walkways, direct and accessible routes to the local shops, and green travel plans or incentives, and more. In 2020, we installed secure cycle storage facilities in 69% (2019: 66%) of our developments and electric charging points at 21% (2019: 16%) of our developments. 97% of our schemes were located within 1km of a public transport node. This enables them to have a wider choice of public transport methods of travel and by encouraging cycling as an alternative to vehicular use.

**Are these low-carbon product(s) or do they enable avoided emissions?**

Avoided emissions

**Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions**

Other, please specify

Energy performance ratings of the buildings as assessed by the Government's Standard Assessment Procedure (SAP)

**% revenue from low carbon product(s) in the reporting year**

100

**Comment**

---

**Level of aggregation**

Product

**Description of product/Group of products**

We have invested in our own manufacturing facilities in Cheshire and Leicestershire. to produce both open and closed panel timber frames. Open and closed panel timber frame manufacturing has several environmental benefits, including a reduction in waste, embodied carbon and energy consumption, making the homes more thermally efficient for customers.

A number of our construction sites are already being supplied open or close panel timber frames by our factories. However, following a significant financial investment of circa £20m in 2020 to build a brand-new factory, and in response to ambitious targets set out in our Sustainability Approach, we will be significantly increasing the number of timber frame homes to our sites. Two targets within our Sustainability Approach support our ambition to expand our use of modern methods of construction (MMC): 'at least 20,000 of homes to be built by our factories by 2025' and 'at least 50% of all homes to be built using MMC in the same timeframe'.

In 2020, we commissioned a Carbon Life Cycle Assessment comparing our timber frame construction to the more traditional brick and block construction methodology. The assessment concluded that our traditional brick and block build construction methodology had approximately 14,450 kgCO<sub>2</sub>e more embodied carbon in comparison to a timber frame build of the same design. Further analysis has revealed that adopting a closed panel manufacturing system could potentially save up to a total of 17,700 kgCO<sub>2</sub>e compared to a traditional brick and block construction through waste reduction, transport distances and more efficient construction processes and energy use.

**Are these low-carbon product(s) or do they enable avoided emissions?**

Low-carbon product and avoided emissions

**Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions**

Other, please specify

Independent LCA study commissioned by Countryside Properties and completed by specialist Carbon Consultant.

**% revenue from low carbon product(s) in the reporting year**

2

**Comment**

## **C5. Emissions methodology**

### **C5.1**

**(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).**

#### **Scope 1**

---

**Base year start**

October 1, 2017

**Base year end**

September 30, 2018

**Base year emissions (metric tons CO<sub>2</sub>e)**

4,560

**Comment**

This is Scope 1 emissions for our baseline year for all site and office activities from natural gas and gas oil use. Manufacturing did not commence in our base year.

#### **Scope 2 (location-based)**

---

**Base year start**

October 1, 2017

**Base year end**

September 30, 2018

**Base year emissions (metric tons CO<sub>2</sub>e)**

1,608

**Comment**

This is Scope 2 emissions for our baseline year for all site and office activities from purchased electricity.

#### **Scope 2 (market-based)**

---

**Base year start**

**Base year end**

## Base year emissions (metric tons CO<sub>2</sub>e)

### Comment

## C5.2

### (C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Defra Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, 2019

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

## C6. Emissions data

### C6.1

#### (C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO<sub>2</sub>e?

##### Reporting year

---

##### Gross global Scope 1 emissions (metric tons CO<sub>2</sub>e)

5,770

##### Comment

### C6.2

#### (C6.2) Describe your organization's approach to reporting Scope 2 emissions.

##### Row 1

---

##### Scope 2, location-based

We are reporting a Scope 2, location-based figure

##### Scope 2, market-based

We have operations where we are able to access electricity supplier emission factors or residual emissions factors, but are unable to report a Scope 2, market-based figure

##### Comment

We collate energy data for electricity use at our Head Offices via invoice data and via service charge reports in leased properties. Site data is collated from invoices and sense checked by site readings.

We report all electricity use for invoices received and processed in the relevant reporting

year. This covers 1000's of our plots (prior to handover to customers), marketing suites and site compounds. This data collection allows us to carry out a year- on- year comparison of performance and identify sites, suites or offices where the consumption is too high.

## C6.3

**(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO<sub>2</sub>e?**

**Reporting year**

---

**Scope 2, location-based**

1,838

**Comment**

## C6.4

**(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?**

No

## C6.5

**(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.**

**Purchased goods and services**

---

**Evaluation status**

Relevant, calculated

**Metric tonnes CO<sub>2</sub>e**

920

**Emissions calculation methodology**

Spend on purchased goods is collected throughout the year. Emissions are calculated based on spend and emissions factors sourced from Quantis (<https://quantis-suite.com/Scope-3-Evaluator/>).

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

**Please explain**

## Capital goods

---

### Evaluation status

Relevant, calculated

### Metric tonnes CO<sub>2</sub>e

160,877

### Emissions calculation methodology

Capital good emissions calculations were based on the number of housing units and apartment blocks completions. The emissions were calculated separately for housing units and apartment blocks. For housing units, the embodied carbon emissions were extrapolated from a whole life carbon report, which was carried out by a third party at Countryside's request, comparing whole life carbon emissions for a typical Countryside Properties 3-bed house built from masonry and timber frames. For apartment blocks, the embodied carbon emissions were extrapolated using floor area and following the 'Whole life-cycle assessments Guidance' from the Greater London Authority.

There has been no capital spend on machinery in the baseline year, but data has been collected in previous years and will continue to be collected.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

## Fuel-and-energy-related activities (not included in Scope 1 or 2)

---

### Evaluation status

Relevant, calculated

### Metric tonnes CO<sub>2</sub>e

1,629

### Emissions calculation methodology

Emissions have been calculated for Transmission and Distribution (T&D), T&D Well-to-tank (WTT) and WTT losses for electricity across all operations within the United Kingdom. We have used Defra emissions factors for the UK.

<https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2020>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

## Upstream transportation and distribution

---

### Evaluation status

Relevant, calculated

### Metric tonnes CO<sub>2</sub>e

48,134

### Emissions calculation methodology

Upstream transportation and distribution emissions calculations were based on the number of housing units and apartment blocks completions. The emissions were calculated separately for housing units and apartment blocks. For housing units, the embodied carbon emissions were extrapolated from a whole life carbon report, which was carried out by a third party at Countryside's request, comparing whole life carbon emissions for a typical Countryside Properties 3-bed house built from masonry and timber frames. For apartment blocks, the embodied carbon emissions were extrapolated using floor area and following the 'Whole life-cycle assessments Guidance' from the Greater London Authority.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

## Waste generated in operations

---

### Evaluation status

Relevant, calculated

### Metric tonnes CO<sub>2</sub>e

6,840

### Emissions calculation methodology

Emissions associated with Waste generated in operations were calculated using the types and amounts of waste provided by Countryside Properties and following the WRAP disposal routes for different types of waste. Depending on whether recycled or landfilled, the appropriate emission factors as per DEFRA (2020) were applied.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

## Business travel

---

**Evaluation status**

Relevant, calculated

**Metric tonnes CO<sub>2</sub>e**

21

**Emissions calculation methodology**

The business travel spend records are held internally. Appropriate emission factors were assigned as per DEFRA (2020) calculations.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

**Please explain**

---

**Employee commuting**

**Evaluation status**

Relevant, calculated

**Metric tonnes CO<sub>2</sub>e**

875

**Emissions calculation methodology**

The emissions associated with employee commuting were calculated using the number of full-time employees and the National Transport survey (Department for Transport, UK). Then the appropriate emissions factors were assigned as per DEFRA (2020) based upon methodology provided by Verco.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

**Please explain**

---

**Upstream leased assets**

**Evaluation status**

Not relevant, explanation provided

**Please explain**

Countryside Properties lease all their offices, but all emissions from upstream leased assets have been captured within the reported Scope 1+2 emissions disclosed in the relevant questions above.

---

**Downstream transportation and distribution**

**Evaluation status**

Not relevant, explanation provided

**Please explain**

Countryside Properties, as a house builder, does not have any downstream transportation and distribution. The nature of the product means that it is built in place and then handed to the buyer.

**Processing of sold products**

---

**Evaluation status**

Not relevant, explanation provided

**Please explain**

Countryside Properties, as a house builder, does not have any downstream processing of sold product. Products are sold direct to consumers. No further processing is required.

**Use of sold products**

---

**Evaluation status**

Relevant, calculated

**Metric tonnes CO<sub>2</sub>e**

641,639

**Emissions calculation methodology**

The dwelling emissions rate from a sample Countryside Properties was used to calculate the regulated loads. The unregulated loads were calculated following the RICS (2017) recommendation that unregulated loads are equal to regulated loads. Because the emissions are calculated over a period of 60 years, emission factors projections were used as per the EU reference scenario (2015). The information was then extrapolated by floor area.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

**Please explain**

**End of life treatment of sold products**

---

**Evaluation status**

Relevant, calculated

**Metric tonnes CO<sub>2</sub>e**

20,845

**Emissions calculation methodology**

End of life treatment of sold product emissions calculations were based on the number of housing units and apartment blocks completions. The emissions were calculated separately for housing units and apartment blocks. For housing units, the embodied carbon emissions were extrapolated from a whole life carbon report, which was carried out by a third party at Countryside's request, comparing whole life carbon emissions for a typical Countryside Properties 3-bed house built from masonry and timber frames. For apartment blocks, the embodied carbon emissions were extrapolated using floor area and following the 'Whole life-cycle assessments Guidance' from the Greater London Authority.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

**Please explain**

---

**Downstream leased assets**

**Evaluation status**

Not relevant, explanation provided

**Please explain**

Countryside Properties does not operate as the lessor for any assets.

---

**Franchises**

**Evaluation status**

Not relevant, explanation provided

**Please explain**

Countryside Properties does not have any franchises.

---

**Investments**

**Evaluation status**

Not relevant, explanation provided

**Please explain**

Countryside Properties does not have any relevant investments.

---

**Other (upstream)**

**Evaluation status**

Not relevant, explanation provided

**Please explain**

There are no other relevant upstream emissions not captured within the emissions already reported.

### Other (downstream)

#### Evaluation status

Not relevant, explanation provided

#### Please explain

There are no other relevant downstream emissions not captured within the emissions already reported.

## C-CN6.6/C-RE6.6

**(C-CN6.6/C-RE6.6) Does your organization assess the life cycle emissions of new construction or major renovation projects?**

	Assessment of life cycle emissions	Comment
Row 1	Yes, qualitative assessment	In 2020 we commissioned a Life Cycle Assessment of Embodied Carbon Report for our Timber Frame build typology.

## C-CN6.6a/C-RE6.6a

**(C-CN6.6a/C-RE6.6a) Provide details of how your organization assesses the life cycle emissions of new construction or major renovation projects.**

	Projects assessed	Earliest project phase that most commonly includes an assessment	Life cycle stage(s) most commonly covered	Methodologies/standards/tools applied	Comment
Row 1	On a case by case basis	Construction	Cradle-to-grave	EN 15978	LCA completed by external Consultant (AECOM)

## C6.7

**(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?**

No

## C6.10

**(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO<sub>2</sub>e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.**

**Intensity figure**

0.000007694

**Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)**

7,608

**Metric denominator**

unit total revenue

**Metric denominator: Unit total**

988,800,000

**Scope 2 figure used**

Location-based

**% change from previous year**

51

**Direction of change**

Increased

**Reason for change**

The total emissions increased compared to last year, whilst the total revenue has decreased compared to last year. The intensity figure from last year was revised to fit the methodology used for this year's intensity calculation, where we have reported based on the full unit total revenue, not shown as a per £m value.

## C7. Emissions breakdowns

### C7.1

**(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?**

No

### C7.2

**(C7.2) Break down your total gross global Scope 1 emissions by country/region.**

Country/Region	Scope 1 emissions (metric tons CO2e)
United Kingdom of Great Britain and Northern Ireland	5,770

## C7.3

**(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.**

By business division

By activity

### C7.3a

**(C7.3a) Break down your total gross global Scope 1 emissions by business division.**

Business division	Scope 1 emissions (metric ton CO2e)
Construction	5,574
Offices	150
Manufacturing	46

### C7.3c

**(C7.3c) Break down your total gross global Scope 1 emissions by business activity.**

Activity	Scope 1 emissions (metric tons CO2e)
Stationary Combustion	4,241
Mobile Combustion	36
Heating	1,493

## C7.5

**(C7.5) Break down your total gross global Scope 2 emissions by country/region.**

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
United Kingdom of Great Britain and Northern Ireland	1,838	0	7,883	0

## C7.6

**(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.**

By business division

By activity

## C7.6a

**(C7.6a) Break down your total gross global Scope 2 emissions by business division.**

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Construction	1,381	0
Offices	320	0
Manufacturing	137	0

## C7.6c

**(C7.6c) Break down your total gross global Scope 2 emissions by business activity.**

Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Electricity	1,838	0

## C7.9

**(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?**

Increased

## C7.9a

**(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.**

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change	0	
Other emissions reduction activities	0	No change	0	
Divestment	0	No change	0	

Acquisitions	0	No change	0	
Mergers	0	No change	0	
Change in output	354	Increased	4.9	<p>Manufacturing arm - Total consumption of energy is higher in FY2020 compared to FY2019 because full production only began in our Warrington factory in September 2019. Our Scope 1 and 2 emissions in the previous reporting year were 7,254 tCo2e, so our emissions value percentage is equal to 1.2%. The effects of COVID-19 were felt across all the reported divisions of our business in the reporting year – but most noticeably there was an increase in electricity and natural gas at our development sites, despite them being shut down for several months due to the pandemic. There was also a decrease in the total amount of developed area (due to site shut down), so sites may have been operational but there was enough disruption to impact the level of output and out normalised emissions figures. This coupled with an improvement in utility data within the year, resulted in a cumulative impact on reported emissions. Our Scope 1 and 2 emissions in the previous reporting year were 7,254tCo2e, so our emissions value percentage is equal to 3.6%.</p>
Change in methodology	0	No change	0	
Change in boundary	0	No change	0	
Change in physical operating conditions	0	No change	0	
Unidentified	0	No change	0	

Other	0	No change	0	
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## C7.9b

**(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?**

Location-based

## C8. Energy

### C8.1

**(C8.1) What percentage of your total operational spend in the reporting year was on energy?**

More than 0% but less than or equal to 5%

### C8.2

**(C8.2) Select which energy-related activities your organization has undertaken.**

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

### C8.2a

**(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.**

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	24,808	24,808
Consumption of purchased or acquired electricity		0	7,883	7,883
Consumption of self-generated non-fuel renewable energy		0		0
Total energy consumption		0	32,691	32,691

## C8.2b

**(C8.2b) Select the applications of your organization's consumption of fuel.**

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

## C8.2c

**(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.**

### Fuels (excluding feedstocks)

Natural Gas

### Heating value

HHV (higher heating value)

**Total fuel MWh consumed by the organization**

8,120

**MWh fuel consumed for self-generation of electricity**

0

**MWh fuel consumed for self-generation of heat**

8,120

**Emission factor**

0.18387

**Unit**

kg CO<sub>2</sub>e per kWh

**Emissions factor source**

UK Government GHG Conversion Factors for Company Reporting 2020

**Comment**

---

**Fuels (excluding feedstocks)**

Liquefied Petroleum Gas (LPG)

**Heating value**

HHV (higher heating value)

**Total fuel MWh consumed by the organization**

169

**MWh fuel consumed for self-generation of electricity**

0

**MWh fuel consumed for self-generation of heat**

169

**Emission factor**

0.21448

**Unit**

kg CO<sub>2</sub>e per MWh

**Emissions factor source**

UK Government GHG Conversion Factors for Company Reporting 2020

**Comment**

---

**Fuels (excluding feedstocks)**

Gas Oil

**Heating value**

HHV (higher heating value)

**Total fuel MWh consumed by the organization**

16,519

**MWh fuel consumed for self-generation of electricity**

572

**MWh fuel consumed for self-generation of heat**

15,947

**Emission factor**

0.25672

**Unit**

kg CO2e per MWh

**Emissions factor source**

UK Government GHG Conversion Factors for Company Reporting 2020

**Comment**

## C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	160	160	0	0
Heat	0	0	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

## C9. Additional metrics

### C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

**Description**

Waste

**Metric value**

44,162

**Metric numerator**

Tonnes/100m2 developed area

**Metric denominator (intensity metric only)**

0.24

**% change from previous year**

28

**Direction of change**

Increased

**Please explain**

In reviewing our data, it is clear that inert and timber waste are two of our biggest waste streams in our site operations. As part of a new waste strategy being put in place for 2021 we will be introducing new measures on site to reduce these waste streams.

**C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6**

**(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?**

	<b>Investment in low-carbon R&amp;D</b>	<b>Comment</b>
Row 1	Yes	In our manufacturing division, we are continually looking to achieve further carbon savings through investigation into new initiatives such as brick slips, prefabricated stairs and pre-installed electrical and plumbing technologies.

**C-CN9.6a/C-RE9.6a**

**(C-CN9.6a/C-RE9.6a) Provide details of your organization’s investments in low-carbon R&D for real estate and construction activities over the last three years.**

**Technology area**

Integration of renewable energy sources in buildings

**Stage of development in the reporting year**

Basic academic/theoretical research

**Average % of total R&D investment over the last 3 years**  
 ≤20%

**R&D investment figure in the reporting year (optional)**

**Comment**

## C-CN9.10/C-RE9.10

**(C-CN9.10/C-RE9.10) Did your organization complete new construction or major renovations projects designed as net zero carbon in the last three years?**

No, but we plan to in the future

## C-CN9.11/C-RE9.11

**(C-CN9.11/C-RE9.11) Explain your organization’s plan to manage, develop or construct net zero carbon buildings, or explain why you do not plan to do so.**

We are currently going through the planning stages on several Net Zero Carbon developments across the business. These developments require working collaboratively with the local authority to come up with the most suitable approach to achieving Net Zero Carbon homes and developments, e.g. through house type design, use of communal heating systems etc.

## C10. Verification

### C10.1

**(C10.1) Indicate the verification/assurance status that applies to your reported emissions.**

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	No third-party verification or assurance

### C10.1a

**(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.**

---

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Limited assurance

**Attach the statement**

 Countryside Properties plc\_Sustainability Report 2020\_FINAL (2).pdf

**Page/ section reference**

Page 21 - 25

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

100

## C10.1b

**(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.**

---

**Scope 2 approach**

Scope 2 location-based

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Limited assurance

**Attach the statement**

 Countryside Properties plc\_Sustainability Report 2020\_FINAL (2).pdf

**Page/ section reference**

P 21 - 25

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

100

## C10.2

**(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?**

No, we do not verify any other climate-related information reported in our CDP disclosure

## C11. Carbon pricing

### C11.1

**(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?**

No, and we do not anticipate being regulated in the next three years

### C11.2

**(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?**

No

### C11.3

**(C11.3) Does your organization use an internal price on carbon?**

No, but we anticipate doing so in the next two years

## C12. Engagement

### C12.1

**(C12.1) Do you engage with your value chain on climate-related issues?**

Yes, our suppliers

Yes, our customers

### C12.1a

**(C12.1a) Provide details of your climate-related supplier engagement strategy.**

---

**Type of engagement**

Compliance & onboarding

**Details of engagement**

Included climate change in supplier selection / management mechanism

Climate change is integrated into supplier evaluation processes

**% of suppliers by number**

100

**% total procurement spend (direct and indirect)**

100

**% of supplier-related Scope 3 emissions as reported in C6.5**

0

**Rationale for the coverage of your engagement**

Each contractor is asked to complete a pre-qualification questionnaire in order to become an approved contractor on our company database. Within the questionnaire, we ask questions around their capability to supply products that could help us with our Net-Zero ambitions and whether they monitor and measure their own carbon emissions. Responses provide an understanding of how the value chain are engaged and how we can work with them on our journey. We also ask if they intend to set their own Science Based Targets.

In early 2021 we become a Partner member of the Supply Chain Sustainability School.

**Impact of engagement, including measures of success**

Becoming a Partner member of the School, enables us to engage with our supply chain partners on sustainability issues that are integral to helping us deliver the targets and ambitions within our Sustainability Approach. For this reason, we set a specific target around supply chain engagement in the School, which is: 85% of our supply chain signed up to the Supply Chain Sustainability School by 2025). Currently 47% of our supply chain have registered accounts with the School and we continually monitor their activity with the school, targeting those who may become inactive over a 12-month period. We also have focused targets for those trades with high carbon impact trades, such as Groundworkers.

**Comment**

We are now asking for more information on Environmental Product Declarations from Suppliers as part of a programme of work to understand the embodied carbon of the buildings we construct.

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**Type of engagement**

Innovation & collaboration (changing markets)

**Details of engagement**

Other, please specify

HBF Future Homes Task Force (Innovation Forum, including suppliers)

**% of suppliers by number**

30

**% total procurement spend (direct and indirect)**

50

### **% of supplier-related Scope 3 emissions as reported in C6.5**

0

#### **Rationale for the coverage of your engagement**

Our Group Technical Director and Group Sustainability Director sit on the HBF Future Homes Task Force where proposed requirements of the Future Homes Standard, including increased energy performance / carbon reduction are discussed and developed with industry peers and key suppliers to the industry like Saint-Gobain.

#### **Impact of engagement, including measures of success**

New delivery hub to oversee sector-wide climate and environmental roadmap for high quality homes and places. The plan, agreed through the Future Homes Task Force, which comprises leading figures from the relevant home building, supply chain, skills, environmental, planning, academic, infrastructure, utilities and regulator communities, and through collaboration with the Government, includes headline goals to deliver:

- high quality homes that are zero carbon ready and sustainable by 2025, with early investigation of the steps beyond;
- places and developments that are consistently low carbon, nature rich, resilient healthy, well-designed and beautiful by 2025;
- production and construction methods that are net zero and sustainable by 2050, with substantial progress by 2025 and 2030;
- businesses operations in line with the Race to Zero: net zero by 2050 with a 50% reduction by 2030

#### **Comment**

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#### **Type of engagement**

Engagement & incentivization (changing supplier behavior)

#### **Details of engagement**

Run an engagement campaign to educate suppliers about climate change

#### **% of suppliers by number**

100

#### **% total procurement spend (direct and indirect)**

100

### **% of supplier-related Scope 3 emissions as reported in C6.5**

0

#### **Rationale for the coverage of your engagement**

We hold 'meet the Buyer' events across the regional parts of the business each year, with around 6 taking place on an annual basis. These provide an opportunity for us to inform suppliers who are invited and attend, of any issues that are important to us and

therefore want to share with them. Items covered include updates to our business Sustainability Approach and associated targets, changes to regulations such as Building Regulations and other climate related issues, e.g. environmental surcharges on products.

### **Impact of engagement, including measures of success**

We continued to engage with our suppliers during the pandemic via virtual meetings. The Procurement team also hold sustainability discussions with potential new group suppliers.

### **Comment**

## **C12.1b**

**(C12.1b) Give details of your climate-related engagement strategy with your customers.**

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### **Type of engagement**

Education/information sharing

### **Details of engagement**

Run an engagement campaign to educate customers about the climate change impacts of (using) your products, goods, and/or services

### **% of customers by number**

0.5

### **% of customer - related Scope 3 emissions as reported in C6.5**

0

### **Please explain the rationale for selecting this group of customers and scope of engagement**

Countryside is working with Chelmsford City Council (“CCC”) on a masterplan for approximately 1,000 new homes in South Woodham Ferrers, Essex. Community engagement has been at the heart of the masterplan’s development. A joint consultation by Countryside and CCC was due to take place during the Covid-19 pandemic. Working with a communications agency, Countryside developed a consultation programme with a range of methods specifically designed to overcome barriers of face-to-face engagement. The approach embraced new technology and methods, including:

- Doubling the consultation length from three to six weeks
- Tracking and hand-delivering consultation packs to every property (7,100) with a freepost return
- A comprehensive website with innovative methods to increase user interaction and engagement, including a virtual “village hall” public exhibition; interactive masterplans with touchscreen functionality; recorded webinars on key topics; and a live web-chat function

- A dedicated freephone number direct to the project team for those not able to respond digitally or by post

### **Impact of engagement, including measures of success**

We wanted to ensure that during the COVID-19 pandemic, the quality and level of community consultation previously experienced was continued. Engagement is key to successful development and creating Places People Love. The virtual exhibition received circa 3,500 views, a much higher level of interest than is normal at a physical consultation event. 275 consultation responses were received, which was a successful result.

## **C12.3**

**(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?**

Trade associations

## **C12.3b**

**(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?**

Yes

## **C12.3c**

**(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.**

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### **Trade association**

Home Builders Federation (HBF)

**Is your position on climate change consistent with theirs?**

Consistent

### **Please explain the trade association's position**

The Home Builders Federation (HBF) are a Trade Association and is the representative body of the home building industry in England and Wales. The HBF's member firms account for some 80% of all new homes built in England and Wales in any one year, and include companies of all sizes, ranging from multi-national, household names through regionally based businesses to small local companies. The HBF are at the forefront of changing policy, standards and regulations. The Association engage with the housing industry and the UK Government to ensure that changing policy around climate change management are fit for purpose and fair for the industry.

**How have you influenced, or are you attempting to influence their position?**

Our Group Sustainability Director and Group Technical Director currently sit on the HBF Future New Homes Standard subgroup.

## C12.3f

**(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?**

Our Sustainability Committee is now chaired by Non-Executive Director and takes place at least 3 times a year. The Committee have Terms of Reference in place, which include; assessing the approach adopted by the Company to identify and prioritise global, national and regional sustainability issues material to the business strategy, review and approve the sustainability commitments and targets proposed by management to address material issues and risks, have regard to identified corporate risks, like climate change, and determine how effectively these risks are mitigated within the sustainability approach.

To help ensure that our onsite activities are reflective and consistent with our climate change strategy, we deliver various training courses and employees are encouraged to sign up to the Supply Chain Sustainability School. In FY22 we will be creating a company wide sustainability training matrix which will include mandatory modules on climate change and how departmental activities can influence emissions and their reduction.

## C12.4

**(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

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### Publication

In mainstream reports

### Status

Complete

### Attach the document

 Countryside\_Properties\_PLC\_Annual\_report\_2020 (1).pdf

 Countryside Properties plc\_Sustainability Report 2020\_FINAL (2).pdf

### Page/Section reference

Page 51 - 60 (ARA)

Page 21 - 25 (FY2020 Sustainability Report)

### Content elements

Governance

Strategy

Emissions figures  
Other metrics

### Comment

We also report on interactions with our Communities, Partners, Investors, Employees, Suppliers and Customers.

## C15. Signoff

### C-FI

**(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.**

### C15.1

**(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.**

	Job title	Corresponding job category
Row 1	Group Sustainability Director	Chief Sustainability Officer (CSO)

## Submit your response

**In which language are you submitting your response?**

English

**Please confirm how your response should be handled by CDP**

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors	Public

**Please confirm below**

I have read and accept the applicable Terms