



Sustainability at McCarthy Stone

McCarthy Stone
Retirement living *your way*

Sustainability at McCarthy Stone

Our customers enjoy independence within beautiful, secure, contemporary homes with the reassurance that help, and care are available if needed. Our communities make a meaningful difference to the lives of our customers, and we are committed to supporting and championing the role, wellbeing, and happiness of older people in society.

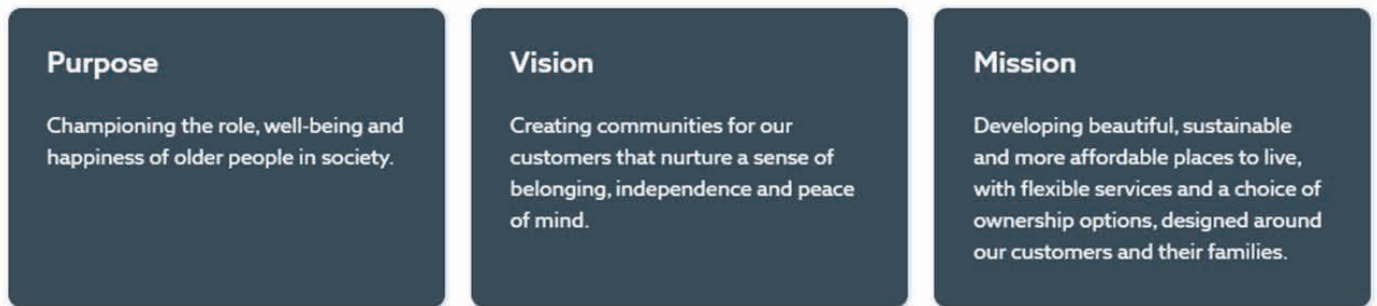
All developments built since 2010 are managed by our in-house management services team, providing peace of mind that we will look after both our customers and their properties for the long term. We currently manage 552 developments across the UK, home to more than 23,000 people.

Our commitment to quality and customer service continues to be recognised by our residents. In March 2025, we once again received the full five-star rating for customer satisfaction from the Home Builders Federation (HBF).

Later life is often misrepresented, that's why we aim to promote a more positive view of ageing - supporting, campaigning, and speaking up for our customers, highlighting their contributions to society and championing their role, wellbeing, and happiness.

We are also committed to sustainability. Our developments are built for the long term, with a minimal environmental impact during both construction and use - enhancing nature and making a clear, positive contribution to the communities in which they are located.

Sustainability flows from our Purpose, Vision and Mission



In 2021, we communicated our first Sustainability Strategy which introduced our 4 key imperatives¹:



Sustainable Development Goals

In alignment with the United Nations' Sustainable Development Goals, our Sustainability Strategy aims to make an important contribution to and positive impact on 5 of the key goals:

- ▶ Good health and wellbeing
- ▶ Decent work and economic growth
- ▶ Sustainable cities and communities
- ▶ Climate action
- ▶ Life on land



¹Sustainability Strategy and Statement, McCarthy Stone

Governance and Reporting

McCarthy Stone’s sustainability governance framework is led by a Group Sustainability Committee, chaired by our Chief People and Improvement Officer (CPIO), which provides oversight of strategy, progress tracking, and external reporting. To ensure actionable leadership and specialist focus, separate management committees oversee the four strategic imperatives - split across environmental (Sustainable Living, Building Clean & Green) and social (Creating Communities, Developing People). This structured, multi-committee approach ensures robust execution, accountability, and continuous improvement across all aspects of environmental and social sustainability.

1. Creating Communities

At McCarthy Stone, our developments are built around people, not just places. As a long-standing advocate for older people, we believe that retirement living should support independence, foster connections, and offer purpose in later life.

Under this imperative we are committed to:

- ▶ Ensuring our customers are more satisfied, happier, and feel their lives are more worthwhile (benchmarked against ONS4)
- ▶ Establishing a £1 million Charitable Foundation aligned with our sustainability goals
- ▶ Forming external partnerships that champion the role of older people in society
- ▶ Developing dementia awareness amongst our people to better support those affected

Since publishing our strategy, we have made significant strides, achieving milestones in the launch of the McCarthy Stone Charitable Foundation, which has awarded over £1.2 million in grants to more than 450 grassroots organisations; the establishment of 60 trained Dementia Champions across the business; and consistent delivery of high customer satisfaction, as evidenced by a 4.7 Trustpilot rating and retention of the HBF Five Star Award each year. Strategic partnerships expanded access to affordable retirement living, while evidence-backed outcomes demonstrated the sector’s social and economic value, with residents experiencing improved wellbeing and contributing to significant cost savings for the NHS and social care services.

Metrics		FY22	FY23	FY24
No. of Dementia Champions		N/A	N/A	60
McS Charitable Foundation	▶ McS Charitable Foundation Income	£275,810	£548,122	£716,428
	▶ Grants Made	£215,085	£339,160	£514,152
	▶ No. of Charitable Causes Supported	109	171	134

Together in Retirement:

Sustainable Communities for Wellbeing



Retirement housing delivers a range of social, economic, and environmental benefits that extend well beyond the individual resident. Research shows that residents of specialist retirement communities experience fewer health challenges, contributing to significant fiscal savings to the NHS and social care services of approximately £3,500 per person per year. Our average development in financial year 2024 delivered 47 units, equating to £164,500 in annual savings. If the UK delivered 30,000 retirement dwellings per year over the next decade, addressing the current shortfall, annual NHS savings could reach £2.1 billion².

Retirement housing also plays a critical role in improving the efficiency and flow of the UK housing market. Many older people are currently living in under-occupied family-sized homes, limiting supply at a time of acute national housing need. McCarthy Stone's developments enable older residents to downsize locally, with over 50% relocating from within a 10-mile radius, freeing up larger homes for younger families and unlocking housing chains that support first-time buyers. This benefit is recognised by Homes England, which highlights the need to rebalance housing provision through a stronger focus on age-appropriate accommodation, helping to relieve pressure on both housing and care systems³.

Residents in retirement communities also report significantly higher life satisfaction and wellbeing. According to the 'Silver Saviours for the High Street' published in 2021, purpose-built retirement housing helps to reduce loneliness and isolation—two key risk factors for mental and physical decline among older people. Contributing factors include enhanced home satisfaction, a stronger sense of neighbourhood belonging, and access to social opportunities and support. The report found that residents in retirement communities were more likely to feel happy, healthy, and that they were doing things that felt worthwhile. The social value of this wellbeing uplift is significant, further reinforcing the societal value of supporting older people to live independently in well-designed, community-focused housing⁴.

In 2024 we won Best Developer or Construction Company, Best Owner or Operator, and Outstanding Retirement Community for McCarthy Stone, Knutsford.

In 2023 Priory House in Banstead won Best Retirement Project. Our 500th managed development was recognised for its beautiful design and the secure and thriving community it offers to older people in the area. McCarthy Stone also took the Best Developer Award, recognising our commitment to our customers and our communities and our sustainability strategy.



In 2024 we won the award for Best Retirement Scheme for The Old Market Village, Wimborne in the Housebuilder Awards 2024.



In 2023 McCarthy Stone was awarded Best Pipeline of the Year in the Health Investor Senior Housing Awards. This award recognises the developers and operators with the most impressive pipeline of seniors housing developments either under construction or with land acquired and planning obtained.



In 2022 McCarthy Stone's Jupiter House in Milton Keynes won 'Senior Housing Development of the Year - Retirement Housing' at the Senior Housing Awards.



²Healthier and Happier, Homes for Later Living, WPI Strategy, 2019

³Retirement community downsizing dividend to help UK decarbonise faster, WPI Strategy, April 2022

⁴Our Future Homes: Housing that promotes wellbeing and community for an ageing population, Gov.UK, November 2024

Consistently Five-Star:

Setting the Gold Standard in Customer Satisfaction

Since the HBF's awards began, McCarthy Stone has proudly retained its position as the only UK housebuilder to receive the Five Star Customer Satisfaction Award every single year. Developments including Clothier Manor, Edwin Gardens, Walnut Tree Place, and Yelland Place scored over 90% in positive feedback, while 88% of homeowners reported an improved quality of life since moving into a McCarthy Stone community. As the HBF award criteria evolve to reflect both service and quality over time, we remain committed to exceeding expectations at every stage of our customer journey, from reservation to resettlement, creating places people are proud to call home.



Over 90% of our customers would recommend us to a friend

McCarthy Stone's ground-breaking retirement rentals platform with investor John Laing enabled us to offer more tenure choice than ever before to older people. This transaction won Deal of the Year at the Property Week RESI awards in 2022.



Trustpilot Spotlight:

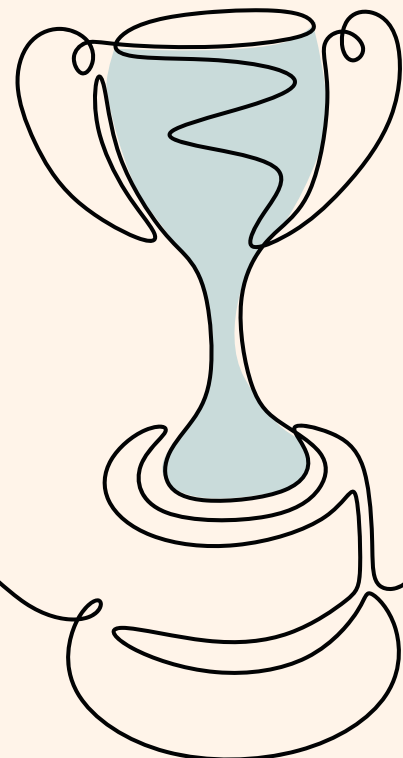
“People Matter Most”

In 2025, McCarthy Stone passed the milestone of 3,000 Trustpilot reviews, with a 4.7 out of 5 Trust Score reflecting consistently high homeowner satisfaction. The independent praise focuses overwhelmingly on the dedication and personal care of frontline colleagues, especially House Managers, Estate Managers, and Sales teams, who are frequently named and celebrated in reviews for going above and beyond the call of duty.

88% are 5* reviews.

Recent feedback highlights individual cases whereby staff proactively help residents through medical emergencies, staying late to coordinate care, or offering a helping hand during maintenance or events; actions that foster genuine community trust and wellbeing.

This robust Trustpilot presence amplifies McCarthy Stone's brand awareness, supports high occupancy at developments, and strengthens customer advocacy. As a valuable counterpart to formal awards such as the HBF Five Star Customer Satisfaction recognition, it underscores our focus on delivering excellence in both the homes we build and the service we provide.



VE Day

In 2025, McCarthy Stone proudly marked the 80th anniversary of VE Day with over 100 commemorative events held across our retirement communities nationwide. These celebrations brought together homeowners and colleagues to honour the sacrifices of the past while fostering connection and joy.



Highlights included Corbett Court's vibrant festival featuring a vintage car, a mock cinema experience, and a lively community lunch; The Pottery's nostalgic presentations and talks on WWII history, complete with a vintage military vehicle; and themed celebrations with fancy dress, patriotic decorations, and dancing at locations such as Lyle Court, Crescent Place, and Tyefield Place. Seymour Court also paid tribute by celebrating military service.



The heartfelt events showcased the strong sense of community and social engagement that McCarthy Stone fosters. They provided meaningful opportunities for social interaction, remembrance, and fun, especially for those who might otherwise have spent the day alone. The dedication of House and Estate Managers and event organisers was widely praised, reinforcing the company's commitment to vibrant, inclusive communities that honour heritage and build lasting connections. With 552 developments across England, Scotland and Wales, there are thousands of events happening across the country every year.

McCarthy Stone Charitable Foundation

Annual Report and Accounts | 2024



making a
positive
difference

together

McCarthy Stone
Foundation

The vision of our charitable foundation is a society where older people are valued, connected and engaged with their communities. The mission is to help grassroots charities and community groups support older people by engaging McCarthy Stone colleagues, customers and partners⁵.

The foundation provides financial grants, volunteers and project support to grassroots charities and organisations with an income under £250,000, who bring connection, engagement and purpose to older people. The amazing efforts of our supporters and partners has already had a positive impact on thousands of older people, with over £1.2 million granted to more than 450 causes since launching in December 2020. With more help we can achieve even more to strengthen communities and reach those most in need in the coming years.

Every employee receives **2 paid volunteering days** each year to make a difference in our local communities

⁵ McCarthy Stone Charitable Foundation

Older Persons Shared Ownership and Homes England

McCarthy Stone, in partnership with Homes England, supports the Older Persons Shared Ownership (OPSO) scheme to expand affordable retirement housing for homeowners aged 55 and over⁶. OPSO enables residents to purchase between 10% and 75% of a new home and pay modest rent on the remainder. Once a resident reaches 75% equity, no rent is charged.

This model addresses the affordability gap facing approximately 2.6 million older homeowners in areas such as the North and Midlands, where lower equity restricts access to move to homes better suited to their needs.

In 2021, McCarthy Stone partnered with Homes England to deliver new affordable shared ownership retirement properties. This partnership marks the first investment in the private retirement sector by Homes England and underscores the government's commitment to addressing the housing needs of older adults.

Our first 100% OPSO development, Sydney Grange in Oldham, Greater Manchester, includes 51 apartments constructed using Modern Methods of Construction (MMC), using Light Gauge Steel Frames (LGSF). Occupancy commenced in early 2025 with a high level of demand for units.

A detailed assessment of Sydney Grange estimates:

- £10.7 million in economic value generated through planning, construction, and sales
- £556,000 per year in local high street spending by residents
- £295,000 per year in NHS and social care savings
- 102 homes released back into the market due to downsizing

When scaled across 100 similar developments, projected annual national benefits include over £1.1 billion in economic impact, £55 million local spending, £29.5 million in health savings, and 10,200 homes freed up - for a total subsidy of just over £300 million.

Other benefits include:

- **Enhanced wellbeing:** specialist retirement housing boosts quality of life by up to £6,479 per person per year⁶
- **Market flow:** each person who moves into OPSO typically frees up 2–3 homes for younger buyers⁷
- **Economic regeneration:** retirement homes typically built in town centres generate household spending and local investment

Sydney Grange represents the first in our pipeline of OPSO-enabled developments, targeting underserved locations across the North and Midlands. McCarthy Stone is committed to replicating this approach at scale, helping older homeowners to access safe, independent, and affordable retirement living.

⁶Measuring the Wellbeing and Fiscal Impacts of Housing for Older People, Homes England, 2024

⁷Chain Reaction, Homes for Later Living, WPI Strategy, 2020

In 2022 McCarthy Stone won the Property Developer of the Year Award at the LaingBuisson Awards, with the judges praising our work to increase the affordability of our products and services, and increase the choice of tenures for our customers.

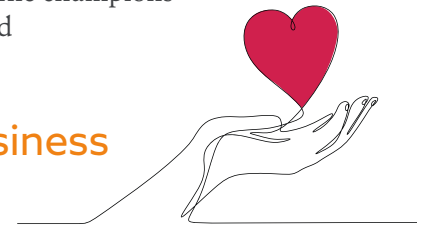


Making Space for Dementia Support

Recognising the growing need to support homeowners living with dementia, McCarthy Stone launched a new Dementia Champions initiative in 2023. House and Estate Managers with a passion for dementia care received specialist training delivered by qualified dementia professionals. Feedback from participants has been overwhelmingly positive, with champions already playing a key role in sharing knowledge, improving awareness, and offering practical guidance to colleagues across our developments.

This initiative is enhancing our ability to create supportive, inclusive communities where colleagues feel equipped and confident in helping residents and their families live well with dementia. The champions also attend team meetings to share lived experience and advice, helping embed dementia-friendly practice across our operations.

We have 60 dementia champions across the business

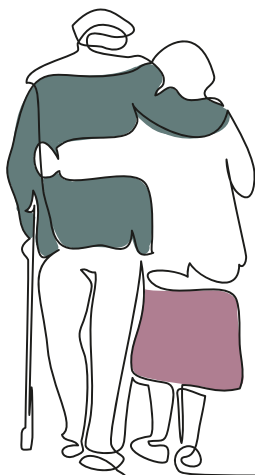


Case Study

Dementia Action Week

McCarthy Stone annually champions Dementia Action Week, uniting colleagues, homeowners and communities nationwide to raise funds and awareness for dementia support. In 2025, through a vibrant series of events, from quizzes and bake sales to live music and themed games, we raised over £9,200.

These funds are directed to support 25 selected grassroots charities working in the UK's most deprived areas, where income and loneliness challenges are greatest. The initiative goes beyond fundraising, fostering compassion and connection across developments and offices while empowering Dementia Champions and volunteers to strengthen local impact.



2. Sustainable Living

We take a whole-life approach to sustainability including low lifetime impacts, peace of mind for residents, smart technology, positive local investment in towns and cities and building with biodiversity and aesthetics in mind.

Under this imperative we are committed to:

- ▶ Net Zero Carbon for all new buildings by 2030
- ▶ Biodiversity Net Gain (BNG) at all new sites from 2023
- ▶ Increasing the number of new homes built with Modern Methods of Construction (MMC)
- ▶ Establishing a Sustainable Sourcing policy and assessing all key suppliers against it
- ▶ Reducing energy use in our existing buildings



Since 2021, we have been delivering on our ambitions of a whole-life approach to sustainability that balances carbon reduction, biodiversity, and innovation. We launched McS Zero, our roadmap to achieving net zero carbon emissions for all new buildings by 2030, and began implementing practical decarbonisation across five focus areas, from construction sites to supply chains. We increased our MMC capability, completing nine MMC developments by 2024 and driving down carbon, time, and waste.

Our homes deliver up to 2 tonnes of CO₂ savings per resident annually, supporting the UK's 2050 net zero goals through the so-called 'downsizing dividend'. We expanded energy efficiency measures across our existing estate with impactful resident-led initiatives. Our biodiversity approach includes complying with mandatory BNG through partnership with Wildlife Trust Consultancies, while 9 out of 10 developments have been built on brownfield land, helping protect ecosystems and reduce urban sprawl. Through collective action, upskilling via the Supply Chain Sustainability School, and sustained participation in Net Zero Week, we are embedding sustainability into the fabric of how we build, operate, and think.

Metrics	FY22	FY23	FY24
▶ Biodiversity Net Gain Compliance	N/A	N/A	100%
▶ % of Brownfield/Urban Expansion Sites	94%	90%	89%

Supporting the UK's Net Zero Goals through Retirement Living:

Unlocking the 'Downsizing Dividend'



At McCarthy Stone, we recognise the important role retirement housing can play in the transition to a low-carbon future. New research commissioned from WPI Strategy has confirmed the significant environmental benefits associated with our model of age-appropriate housing. The findings demonstrate that building more retirement communities can contribute meaningfully to the UK's 2050 net zero targets – a concept now referred to as the 'downsizing dividend'⁸.

Carbon Savings through Smarter Housing Choices

Each McCarthy Stone retirement apartment has been shown to save up to c.2 tonnes of CO₂ per year when compared to a standard new-build house. These carbon savings arise from three key areas:

- ▶ **Operational Energy Efficiency:** Our homes use around 50% less energy than typical houses, saving over 2 tonnes of CO₂ per year per apartment.
- ▶ **Home Improvement Dividend:** When older homeowners downsize, younger households moving into the vacated properties often carry out energy efficiency upgrades, resulting in an additional 0.3–0.5 tonnes of CO₂ savings per year.
- ▶ **Reduced Car Usage:** Centrally located retirement developments lead to reduced reliance on private vehicles, contributing to a further 0.35 tonnes of CO₂ savings per resident per year.

Enhancing Local Environmental Resilience

By building centrally located retirement communities, we help create more walkable, accessible neighbourhoods, which reduces dependency on private vehicles and supports healthier, lower-carbon lifestyles. Additionally, our compact, low-rise developments typically:

- ▶ Maximise land efficiency, housing more residents per hectare than conventional detached housing, helping to meet local housing targets sustainably.
- ▶ Minimise surface sealing and run-off, through permeable paving, communal greenspaces, and landscaped areas that support sustainable drainage and reduce flood risk.
- ▶ Provide low-carbon alternatives to isolated development, contributing to better air quality, reduced congestion, and a more connected community fabric.

⁸ Retirement community downsizing dividend to help UK decarbonise faster, WPI Strategy, April 2022

Our route to Net Zero...

McS Zero

At McCarthy Stone, our ambition is clear: to achieve net zero carbon for all new buildings by 2030. Since launching our Sustainability Strategy in 2021, we've made significant strides across energy and carbon objectives.

This includes reducing energy use in our existing estate, expanding the use of MMC, and assessing key suppliers through a new Sustainable Sourcing Policy. We've introduced innovative solutions such as Flybrid Generators, leading to a 43% reduction in carbon emissions from onsite fuel on our trial construction sites, and launched internal energy efficiency initiatives. In 2023, we introduced McS Zero, our industry-driven roadmap to net zero, focused on decarbonising across five key areas:

- Construction Sites
- Offices
- Travel
- Developments
- Supply Chain

Through upskilling with the Supply Chain Sustainability School, supporting Net Zero Week, and initiative-taking energy campaigns, we continue to drive our commitment to building a low-carbon future.

-
- 2021 **Initial Carbon Strategy Agreed**
Engaged key stakeholders to identify initial carbon strategy
 - 2021 **Future Homes Hub Membership**
Work collaboratively with the house building industry on the sector's climate and environment plans.
 - 2023 **Part L Buildings Regulations Compliance**
 - 2023 **Mandatory Biodiversity Net Gain**
 - 2025 **Future Homes Hub New Homes Sector Net Zero Transition Plan released**
This plan provides a framework for the new homes sector to achieve net zero emissions in line with the Government's carbon budget delivery plans, and to measure progress towards it.
 - 2025 **Future Homes Standards Zero Ready Homes (New Build) England & Wales**
 - 2026-2029 **All Developments Powered by Renewable Energy**
Mixture of on-site renewables and green electricity supply as only means of energy.
 - 2030 **All new developments achieve net zero carbon operational emissions**
 - 2030 **Ban on sales of petrol and diesel cars**
 - 2035 **UK electricity grid 100% de-carbonised Gas supply switch to hydrogen**
 - 2050 **Net Zero Business**

Land Use and Environmental Stewardship

Our commitment to responsible land use and environmental stewardship underpins how we develop retirement communities across the UK. In addressing both the housing and climate crises, McCarthy Stone's approach to site selection and development brings multiple environmental gains beyond operational carbon savings⁹.

Prioritising Brownfield Land

Over 9 out of 10 of McCarthy Stone's developments are delivered on brownfield land – significantly exceeding the national average of 60% for new-build housing. By prioritising previously developed or underutilised sites, we help:

- ▶ Protect greenfield and agricultural land, reducing pressure on natural ecosystems and valuable countryside.
- ▶ Revitalise disused urban areas, often transforming vacant commercial plots, car parks, or industrial sites into vibrant, well-designed residential communities.
- ▶ Reduce urban sprawl, supporting compact growth patterns that make better use of existing infrastructure and reduce the need for long commutes.

This brownfield-first strategy also aligns with the National Planning Policy Framework (NPPF), which encourages development on previously used land where possible to support sustainable growth.

In 2022 and 2023 Carterwood awarded McCarthy Stone top place for bringing forward planning applications for new retirement communities.



Supporting Biodiversity and Nature Recovery

Brownfield regeneration often involves the remediation of contaminated or degraded land, which can pose risks to local wildlife, watercourses, and soil quality if left unmanaged. Through our development and landscaping processes, we:

- ▶ Improve ecological quality by restoring degraded habitats and introducing climate-resilient planting schemes.
- ▶ Embed the Government's mandatory BNG requirements into our operations. From February 2024, all new developments must deliver at least a 10% increase in biodiversity, measured through a national biodiversity metric tool. This approach ensures habitats impacted by construction are carefully quantified and either enhanced on-site or offset through high-quality off-site credits. We are also committed to the long-term management of land for 30 years post-development. In response to the UK's biodiversity crisis, this initiative strengthens ecosystem services such as pollination and water purification while improving resilience to climate change.
- ▶ Integrate green infrastructure and biodiversity enhancements, including green roofs, living walls, wildflower planting, and Sustainable Urban Drainage (SuDS), supporting broader ecosystem services and local biodiversity action plans.



This brownfield-first strategy also aligns with the National Planning Policy Framework (NPPF), which encourages development on previously used land where possible to support sustainable growth.

⁹ Retirement community downsizing dividend to help UK decarbonise faster, WPI Strategy, April 2022

Net Gain and Wildlife Trust Consultancies

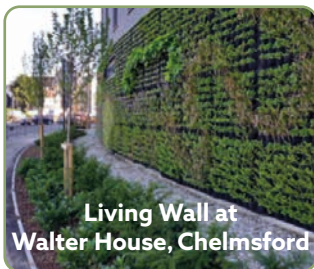
In 2022 we partnered with the Wildlife Trust Consultancies to deliver and comply with our biodiversity, ecological and BNG requirements. The partnership allows us to positively contribute to the UK's national biodiversity and support the wildlife trusts with their mission around protecting the natural environment, and to provide us with expertise in BNG requirements.



Wildlife Trust
Consultancies

Biodiversity Enhancements

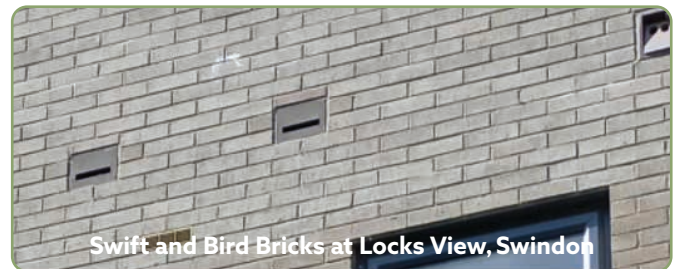
Our developments have always ensured they implement local biodiversity and ecology planning requirements, and most had a wildlife enhancement. In 2022, we mandated all future sites to ensure they include a wildlife enhancement.



Living Wall at
Walter House, Chelmsford



Bee Brick at
Glebe Court, Romsey



Swift and Bird Bricks at Locks View, Swindon

Modern Methods of Construction: Pioneering Sustainable Building at Hewson Court, Hexham

In February 2021, McCarthy Stone initiated the use of LGSF construction at its new retirement community, Hewson Court in Hexham—the first project of its kind nationally for the company¹⁰. This off-site manufactured superstructure enables faster build times, reducing construction by around six weeks compared to traditional methods, while maintaining high quality.

The 43-apartment development, designed for over-60s residents, benefits from enhanced energy efficiency and the use of recycled materials, aligning with McCarthy Stone's sustainability goals. The off-site fabrication approach also improves site productivity and minimises environmental impact locally. Hewson Court's central location provides residents with access to amenities and community facilities, supporting independent, community-focused living.

This project marks a significant step forward in McCarthy Stone's commitment to MMC, supporting the Government's agenda to increase off-site manufacturing and accelerate delivery of high-quality, energy-efficient homes for an ageing population.

Since pioneering the use of LGSF construction at Hewson Court, Hexham in 2021, McCarthy Stone has continued to lead the sector in adopting MMC. As of 2024, we are preparing to start our tenth MMC development using this innovative, eco-friendly building approach.

¹⁰ McCarthy Stone paves the way to a greener future with MMC commitment, 2022

McCarthy Stone uses factory-built panels assembled on-site to achieve faster build times—saving up to 20% compared to traditional construction—while maintaining high quality and reducing defects. Recent improvements include factory fitting of windows, external doors, and insulation, further enhancing efficiency and reducing on-site risks and delays. Future developments will incorporate streamlined closed panel solutions to maximise MMC benefits.

This expanding MMC programme demonstrates McCarthy Stone’s commitment to building energy-efficient, high-quality, and affordable retirement communities at pace, directly addressing the UK Government’s call for increased MMC adoption in housing delivery. The company’s secure pipeline and focused strategy enable it to accelerate development while contributing to sustainability goals.

Homes England has recognised the importance of an established project pipeline for MMC sector growth and supports McCarthy Stone’s multiple schemes underway and forthcoming across the UK.



Driving Sustainable Practices Across Our Supply Chain

As part of our Sustainable Sourcing commitment, McCarthy Stone has embedded a Sustainable Procurement Policy that ensures environmental performance is consistently upheld across our supply chain. Sustainability is a core criterion in our supplier assessments, reviewed both quarterly and during onboarding. In 2024, we saw a 25% improvement in supplier performance against our sustainability benchmarks, driven by reductions in fuel use, better waste management, and stronger compliance.

We collaborate with suppliers to source more sustainable materials and integrate circular economy principles into our build processes. For example, JPD Contracts removes and recycles all white goods packaging waste from site, Wavin uses over 50% recycled PVC in its pipes via Recycore Technology, and PLC, part of Arçelik, a durables company, manufactures kitchen appliances using recycled fishing nets and plastic bottles.

These partnerships demonstrate how sustainable procurement can support low-carbon construction, reduce waste, and increase circularity across our developments.

Case Study

Partnering with the Supply Chain Sustainability School

As part of our commitment to embedding sustainability throughout our operations, McCarthy Stone is proud to be a partner of the Supply Chain Sustainability School. This strategic collaboration supports our strategy by providing free, CPD-accredited training to colleagues across the business. Through the School, employees gain access to a suite of learning resources covering critical topics such as carbon reduction, circular economy, social value, and sustainable procurement. By encouraging staff to upskill and engage with the school's training sessions

and materials, we are strengthening our internal capabilities and ensuring that sustainability remains a core principle in our supply chain and day-to-day practices. This partnership empowers individuals at every level to take meaningful action, contributing to our broader goals of achieving Net Zero carbon and driving long-term environmental, social, and economic value.



Our Energy Challenge: £1 million

In response to the ongoing UK energy crisis, McCarthy Stone launched an Energy Challenge for FY23, aiming to reduce energy consumption from projected energy bills across its managed developments, translating to a £1 million saving on energy bills for homeowners and renters. This initiative focuses on three key areas: targeted engineering improvements at the highest energy-consuming sites, embedding standardised energy management practices, and creating a knowledge hub to share best practices.

Through detailed energy audits, several actions were implemented, including developing a control strategy for Air Source Heat Pumps to optimise performance. The creation of an Energy Toolkit supports House, Estate, and Operations Managers with step-by-step energy management guidance. Monthly Energy Surgery sessions provide ongoing engagement and expert support to address queries and drive improvements.

The challenge exceeded expectations, achieving a 12% reduction in energy use. Engagement efforts, such as homeowner education events and regular energy walkarounds, have further amplified impact. During Net Zero Week 2023, McCarthy Stone hosted an Energy Efficiency webinar, adding to resources available in the Energy Knowledge Hub.

This proactive approach not only reduces operational costs but also supports residents by lowering utility bills, reinforcing McCarthy Stone's commitment to sustainable, cost-effective living environments.

In 2024 we won our first business Environment and Sustainability Impact Award at the Ace Arma Awards for our energy efficiency initiatives and supporting our customers during the energy crisis.



Case Study

Energy Efficiency

at Banks Place, Swindon



The management team at Banks Place in Swindon worked closely with homeowners in FY22 to implement several energy efficiency and reduction initiatives in homeowner apartments and communal areas.

They supported several homeowners to have clocks retrofitted to their Gledhill water heaters allowing them to set heating times. The initiative was taken up by 85% of the homeowners in the development, with all participating homeowners saving over £40 per quarter on their bills. In communal areas and corridors, they reviewed lighting management and reduced sensors to 1-minute sensitivity to reduce electricity consumption use throughout the development further. The team also created energy-saving guidance for homeowners, which was published in newsletters and is regularly updated.

Case Study

Reducing Energy Bills

at Keatley Place, Moreton-in-Marsh



The management team at Keatley Place in Moreton-in-Marsh achieved a huge reduction in electricity consumption after focusing on energy management behaviours, engaging with an electrician to adjust lighting sensors and communicating energy consumption in monthly newsletters.

An electrician reviewed and implemented lighting to introduce motion sensor lighting. This reduced the communal lighting from being on 24/7 to a few minutes when activated. The House Manager regularly communicates communal utility consumption and energy-saving tips in monthly homeowner newsletters to change energy management behaviours. Keatley Place achieved a 58% decrease in electricity usage in November 2022 compared to the same month in 2021.

Case Study

Energy Behaviour Change

at Beatty Court, Nantwich

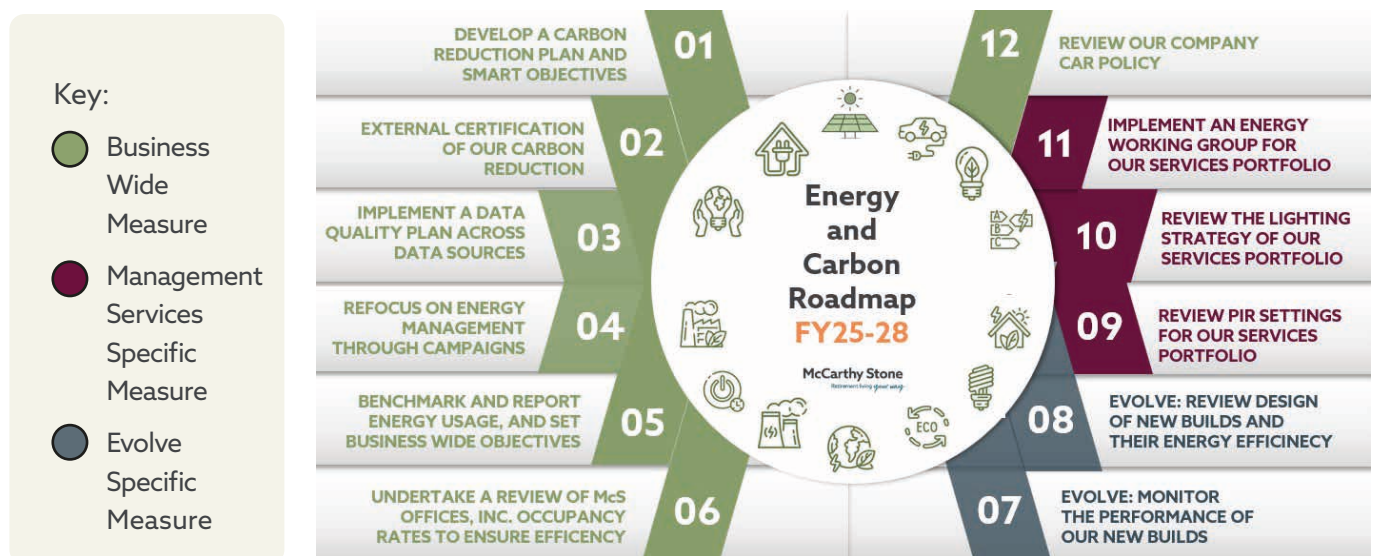


The management team at Beatty Court in Nantwich undertook an energy walk around and audit of the development, in support of Net Zero Week, with the following outcomes:

- ▶ They held an energy focus group exploring initiatives with homeowners to reduce energy. The minutes and a list of energy-saving tips were published in the homeowner's newsletter, as well as government 'help for households' information.
- ▶ The development supplied and fitted three water butts to reduce water consumption through harvesting rainwater to water plants and the garden.
- ▶ The House Manager signed up to the Supply Chain Sustainability School and accesses educational resources to upskill her environmental and energy management knowledge.

Energy and Carbon Roadmap

As part of McCarthy Stone's ongoing commitment to decarbonisation and compliance with the Energy Savings Opportunity Scheme (ESOS), an Energy and Carbon Roadmap was developed in early 2025. This roadmap forms a critical component of our broader Net Zero transition strategy. To shape the plan, over 30 key stakeholders participated in a dedicated Net Zero Pathways training and consultation session, ensuring the approach was informed, collaborative, and aligned with operational realities.



The resulting roadmap outlines 12 targeted energy efficiency measures to be implemented across the business, supporting reductions in operational carbon emissions and driving forward progress on McCarthy Stone's Net Zero journey.

3. Developing People

We develop our people as our success depends on them. We invest in our people – their skills and capabilities. We value a diverse and inclusive team. We partner with others to achieve these outcomes.

Under this imperative, we are committed to:

- ▶ Great Places to Work certified by 2023 and beyond.
- ▶ Meet or exceed the Great Places to Work benchmark for training and development by 2023 and beyond.
- ▶ Fully utilise the apprentice levy.
- ▶ Champion Equality, Diversity and Inclusion and create a diverse business.

We have advanced our Developing People commitment demonstrated by earning the Great Place to Work UK Certification in the Super Large category (2022–2024) and consistently being recognised as one of the best workplaces for women, wellbeing, development, and within the Construction, Engineering & Property sector. Employee sentiment has remained strong, with 71% affirming McCarthy Stone is a great place to work.

Our investment in future talent accelerated through the full use of the Apprenticeship Levy, funding internal schemes and supporting 17 adult care apprentices across 12 charities in 2024 alone. During National Apprenticeship Week, we showcased how apprenticeships across construction, care, project management, and business roles help grow an inclusive and capable workforce.

Finally, our support for the Lighthouse Construction Industry Charity, including mental health training for over 100 colleagues and promotion of wellbeing initiatives across operations, demonstrates our commitment to emotional and social wellbeing for all colleagues.

These milestones reflect a strategic investment in people, culture, and inclusion by creating a workplace where colleagues feel valued, supported, and equipped to deliver socially impactful communities.

Metrics	FY24
▶ Great Places to Work Certified	100%
▶ Average Employee Age	47 years
▶ Promotions and Colleague Movements	97
▶ Retention Stability Index (% Colleagues over 1 years service)	79%
▶ No. of Apprentices	71
▶ Construction Site Employees Mental Health First Aider trained	110

Embedding Culture Through Our Values-Led Approach

Over the past three years, McCarthy Stone has evolved its company culture with a long-term, employee-led approach. Through workshops and conversations with colleagues across all levels, we co-developed our 'Culture Pillars' - Simplicity, Customer Centricity, Empowerment, One Team, and Ambition. These pillars formed the foundation of our business values, which now shape behaviours, decision-making, and leadership across the business.

Our six values -

Community, Together, Integrity, Courage, Improving, and Simple

are embedded through leadership development, recognition schemes, and day-to-day ways of working. Our values recognition programme, which includes peer nominations and seeded paper certificates that bloom into flowers, celebrates colleagues who live our values and strengthens a culture where people feel empowered and connected.

By aligning our values with how we lead, work, and celebrate success, we are building a thriving, inclusive, and purpose-driven company culture that supports both people and performance.

Great Place to Work

Since 2022, McCarthy Stone has been recognised with Great Place to Work UK Certification in the Super Large category, demonstrating exceptional workplace culture and staff satisfaction¹¹. For three consecutive years, we have also been distinguished as a Best Workplace for Women and a Best Workplace for Wellbeing, affirming its commitment to gender equity and mental and physical wellness. In 2024, McCarthy Stone further earned accolades as a Best Workplace in the Construction, Engineering & Property sector, and specific Best Workplace for Development, standing out across multiple categories in Great Place to Work's UK rankings.

McCarthy Stone's Trust Index shows 71% of employees affirm that the organisation is a great place to work, substantially above the typical benchmark of 54% for UK companies, with high scores for fairness, physical safety, trust in management, and inclusive treatment irrespective of race, sex, or sexual orientation. These national-level recognitions underscore the firm's deepening investment in wellbeing, inclusive culture, professional development, and employee trust—driving operational excellence and reinforcing its reputation as a supportive, purpose-driven employer.



In 2024:

94%

People are treated fairly regardless of their sexual orientation

93%

People are treated fairly regardless of their race

93%

People are treated fairly regardless of their sex

92%

This is a physically safe place to work

89%

Management trusts people to do a good job without watching over their shoulders

¹¹ Great Place To Work - McCarthy Stone

Supporting Skills for the Future: Our Apprentices

Through the Government's Apprenticeship Levy scheme, McCarthy Stone is proud to invest in the future workforce, both within our own organisation and across the wider care and construction sectors. We offer a range of apprenticeships to new recruits and existing colleagues, including roles in construction and care, helping us to grow and retain talent while addressing key skills shortages. Our approach goes beyond internal development: we are also using a proportion of our levy to support charitable organisations across the UK. In 2024 alone, McCarthy Stone funded apprenticeships for 17 adult care workers across 12 charities, supporting the social care sector, strengthening frontline services, and creating long-term opportunities in a sector facing critical recruitment challenges. These efforts not only demonstrate our commitment to inclusive growth but also ensure we contribute meaningfully to resilient communities and a sustainable UK workforce.

“

The first month of my apprenticeship has been fun. I started with creating a professional development plan for myself and two staff members and learning a lot about SMART goals.”

OJ Bamiro, Estate Manager at Liberty House

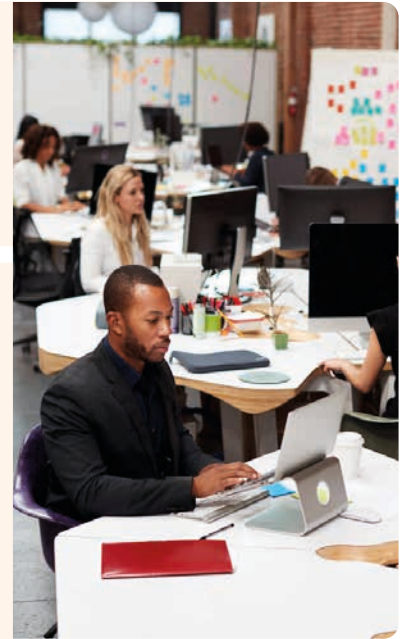
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“The suggestion to enrol onto an apprenticeship to do my Level 2 apprenticeship was initially put forward by my manager at the time, Mathew. We had a discussion during my one-to-one that it would be a step in the right direction to up-skill myself and get the right qualifications to become a duty manager.”

Holly Baker, Adult Care Worker

”



Case Study

National Apprenticeship Week

During National Apprenticeship Week 2025, McCarthy Stone celebrated the transformative power of apprenticeships across all areas of its business. We highlighted stories from colleagues engaged in apprenticeships, underscored the benefits of learning while earning, empowering individuals at any career stage to develop vital skills, from construction and care to project management and business. Backed by the Government's Apprenticeship Levy, McCarthy Stone dedicates funding to nurture this talent pipeline, including a £100,000 pledge to support 17 adult care worker apprenticeships across 12 charitable organisations. This commitment strengthens McCarthy Stone's role in addressing industry skills shortages and fostering inclusive workforce development.



Equality, Diversity and Inclusion

At McCarthy Stone we believe that creating thriving retirement communities starts with a strong foundation of Equality, Diversity and Inclusion (EDI). We are committed to fostering a workplace and customer experience that is respectful, inclusive and reflective of the diverse society we serve. Our EDI strategy focuses on increasing representation across all levels of the business, building awareness through training and communications, and ensuring our homes and services are accessible to people from all backgrounds. Beyond our own workforce, we actively engage with partners and suppliers to promote inclusive values across our supply chain. By championing diversity, we're not only creating fairer opportunities, but also shaping welcoming, vibrant communities where everyone feels they belong.

Case Study

International Women's Day



International Women's Day also marks the opportunity to re-invigorate our Women in McCarthy Stone network, which brings together the amazing women across the business. This network provides a safe and supportive space where women can champion one another and their wellbeing, fostering empowerment and connection.

Since 2022, the annual McCarthy Stone Foundation Chilly Dip has become a well-established tradition, bringing together colleagues, homeowners, and local communities to celebrate International Women's Day while raising funds for charities supporting older people. The event has grown year on year, with 2025 seeing sea dips across multiple UK locations, from Bournemouth, Anglesey, Hunstanton, and Southend, engaging over 65 participants in Bournemouth alone.

Open to everyone including colleagues, customers, families, suppliers, and friends, the Chilly Dip combines fundraising, wellbeing, and community spirit, creating a vibrant platform for inclusivity and team bonding. Senior leaders from across the business join alongside diverse teams and homeowners, reflecting McCarthy Stone's commitment to shared purpose and social impact.

With additional dips planned for Devon and the Midlands, and a fancy dress competition set for 2026, the Chilly Dip continues to be a highlight in the company's calendar. This bold and fun initiative perfectly aligns with McCarthy Stone's values of community, inclusivity, and meaningful social contribution.





Case Study

McCarthy Stone and the Lighthouse Charity

McCarthy Stone is proud to support the Lighthouse Construction Industry Charity, the only charity dedicated to providing emotional, physical, and financial support to the construction community and their families. For the second consecutive year, we have made a significant donation to help ensure their critical services, including a 24/7 helpline, text support, and local support groups, remain available. We've actively promoted Lighthouse resources across our construction sites, trained over 100 colleagues in Mental Health Awareness,

and placed mental health front and centre at our 2024 Site Managers Conference. Looking ahead, we will expand our engagement through Mental Health First Aider training, a nationwide site shutdown to reflect on wellbeing, and further collaboration with the charity's 'Make it Visible' site tours. Together, we're fostering a culture where mental health is prioritised and openly supported across the business.

4. Building Clean and Green

Efficient building is clean building; we reduce waste, cut our energy use and drive towards zero carbon wherever we work. Our sites are as safe and good-neighbourly as we can make them.

Under this imperative, we are committed to:

- ▶ 99% of our site waste to be diverted from landfill and waste per home continually reducing
- ▶ 100% of our new sites to be Considerate Constructors
- ▶ Zero accidents, always

Since defining the foundations in 2021, we have advanced significantly under the Building Clean and Green imperative, integrating leading sustainability practices across construction and operations. Every site achieved at least 99% waste diversion from landfill, with continued reductions in waste per home. All new developments are registered with the Considerate Constructors Scheme, reinforcing high standards of environmental care, workforce value, and community respect. Our partnership with the Future Homes Taskforce positioned McCarthy Stone at the forefront of setting sector-wide carbon reduction and embodied carbon goals. We piloted Flybrid energy systems and rolled out smart waste-minimisation and material reuse practices, including support for the UK Men's Sheds Association and the circular Pallet Loop initiative. Under the Sustainable Sourcing Policy, supplier performance improved by 25% in sustainability metrics, and materials innovation such as recycled PVC piping and circular packaging arrangements further reduced environmental and supply chain impact. Collectively, these achievements reflect our evolving expertise in clean, efficient, and responsible building.

Metrics	FY22	FY23	FY24
▶ Total emissions Scope 1 and 2 (tCO ₂ e)	14,111	14,661	13,004
▶ Total emissions Scope 1 (tCO ₂ e)	6,632	6,568	5,431
▶ Total emissions Scope 2 (tCO ₂ e)	7,480	8,092	7,573
▶ Total Energy Consumption (MWh)	67,485	68,059	58,410
▶ Normalised Waste Generation	4.9	5.5	5.2
▶ Waste Diversion from Landfill	99.4%	99.2%	99.7%
▶ Environmental Prosecutions	0	0	0
▶ H&S Prosecutions	0	0	0
▶ AIIR (RIDDOR Reportable Metric)	179	66	97
▶ LTIFR (Lost Time Injury Frequency Rate)	0.4	1.0	0.5

Future Homes Taskforce

McCarthy Stone is a partner of the Future Homes Taskforce, which was set up to engage with and facilitate discussions with the home building industry to develop a long-term delivery plan in line with the Government's legally binding net zero and wider environmental targets.

In 2025, the Future Homes Hub, in collaboration with the Carbon Trust and over 35 leading developers, published the New Homes Sector Net Zero Transition Plan, a strategic framework guiding the UK new build housing sector towards net zero by 2050¹². As a contributing member, McCarthy Stone has played an active role in shaping this plan, which provides clear direction on reducing both operational and embodied carbon, aligning with the Future Homes Standard and the UK's wider decarbonisation targets.

The plan sets out common sector metrics, data collection protocols, and collaborative governance structures to support consistent progress and sector-wide accountability. For McCarthy Stone, the plan reinforces and aligns with our own sustainability commitments, including delivering net zero carbon in operation for all new developments by 2030, increasing our use of MMC, and applying standardised whole life carbon assessments across future schemes.

To support implementation, we will:

- ▶ Embed the Plan's embodied carbon targets into design, procurement, and construction decisions.
- ▶ Contribute data and case studies to the sector-wide evidence base.
- ▶ Support supply chain innovation to enable low-carbon materials and processes.
- ▶ Continue aligning with national policy shifts and work collaboratively with peers through the Future Homes Hub network.

Through our continued involvement, McCarthy Stone is helping to shape a low-carbon future for housing while delivering high-quality, age-appropriate homes that are both climate-resilient and energy-efficient.



¹² New Homes Sector Net Zero Transition Plan, Future Homes Hub, April 2025

The Retirement Ripple Effect:

Jobs, Skills, and Local Growth

Older person's housing generates more local economic value and employment than any other residential housing type. A typical 45-unit retirement development can create up to 85 construction jobs during the build phase, six permanent operational roles, and deliver approximately £13 million in Gross Value Added (GVA) over its lifetime¹³. These developments also support skills development and apprenticeships within the construction sector. McCarthy Stone is committed to supporting local employment schemes in line with planning policy and prioritises the use of locally sourced materials, further strengthening regional supply chains and economic resilience.

Waste Minimisation and Circular Site Practices

On our construction sites, we increasingly apply resource efficiency principles and circular economy thinking, including:

- ▶ Reusing materials from site clearances where safe and practical.
- ▶ Minimising waste to landfill and diverting construction materials through certified recycling routes.
- ▶ Collaborating with MMC suppliers to reduce construction waste by up to 50%, as part of our broader shift to offsite and precision-led construction approaches.

Achieved a 99% diversion from landfill rate in FY22, FY23 and FY24 across our construction sites

Case Study

Waste Contractor Engagement and Waste Targets

We work closely with our waste contractors to ensure accurate reporting and auditing, recognising that accurate reporting allows us to make informed decisions, target initiatives, and work with suppliers to reduce waste from specific waste streams. Our waste contractors are vital as they provide site teams with support to reduce waste and increase our diversion from landfill. In 2025, we set our site teams with a waste target of <7.5te/100m² linked to performance and bonus scheme.



¹³ New Homes Sector Net Zero Transition Plan, Future Homes Hub, April 2025

Case Study

UK Men's Shed Association

As part of our commitment to reducing waste and supporting local communities, McCarthy Stone has partnered with the UK Men's Sheds Association, a charity with over 600 community workshops nationwide that promote wellbeing through practical hobbies, conversation, and connection.

This initiative enables our construction sites to donate surplus building materials to local Sheds, helping to reduce waste while empowering grassroots projects. Success stories include our Romsey team supplying timber for a covered outdoor workspace, and our Oakwood team donating materials and hosting a mental health talk by a Shed member. This growing partnership exemplifies how sustainability and social value can go hand in hand—building both community spaces and connections.



Case Study

The Pallet Loop



McCarthy Stone has partnered with The Pallet Loop, a pioneering circular economy initiative transforming the construction supply chain by introducing bespoke, reusable green pallets. This partnership currently includes three key framework suppliers who now deliver all products on Pallet Loop's eco-friendly pallets. The scheme incentivises pallet recovery, repair, and reuse, supported by a nationwide collection service that retrieves pallets. This innovative system reduces environmental impact by minimising single-use waste, cuts disposal costs compared to skip hire, and offers financial rewards per returned pallet. By embracing this circular approach, McCarthy Stone advances its commitment to sustainable construction and waste reduction throughout its supply chain.



Case Study

Considerate Constructors Site

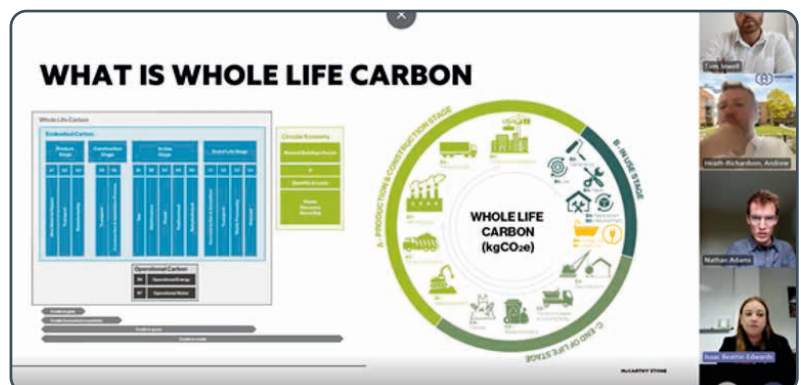
Wimborne

At McCarthy Stone, our construction sites are registered with the Considerate Constructors Scheme (CCS), adhering to its Code of Considerate Practice to promote excellence beyond statutory requirements. Site teams demonstrate performance across the three CCS pillars: Care for the Environment, Value their Workforce, and Respect the Community. In 2025, we were proud to receive national recognition with Lloyd Bryant and the Wimborne site team nominated for a Considerate Constructors National Site Award - a testament to their commitment to collaboration, quality, and sustainability. This nomination reflects the dedication of our teams to embed responsible construction practices that benefit people, places, and the planet.

Case Study

Net Zero Week

McCarthy Stone has proudly celebrated Net Zero Week, the UK's official national awareness campaign, for four consecutive years, using each year to spotlight a key theme in the journey to zero carbon. In 2024, our focus was on Whole Life Carbon, and we hosted an engaging webinar with internal colleagues and industry experts. The session explored our progress in baselining and reducing whole life carbon emissions, the development of our new Whole Life Carbon Tool, and the role of design choices in minimising emissions across building lifecycles. In 2025, our theme is Collective Action, with colleagues encouraged to make personal 'Net Zero Pledges' to inspire a shared sense of responsibility. Previous years have covered energy efficiency (2023) and energy management (2022), demonstrating our sustained, evolving commitment to carbon reduction and supply chain engagement.





Case Study

Powering Down Emissions Onsite

In 2023, McCarthy Stone successfully trialled PUNCH Flybrid flywheel technology across six of its construction sites in partnership with Falcon Tower Cranes. Flybrid systems use a mechanical flywheel energy storage system that captures and stores kinetic energy during periods of low equipment demand, which is then released during peak demand. This reduces the energy required from diesel generators, making them ideal for equipment like tower cranes that operate in variable duty cycles.

The innovation led to a 40% reduction in onsite diesel use, enabled the use of smaller KVA generators, and delivered tangible results: a net cost saving of £5,500 and an average carbon saving of 30,000kg CO₂e per site - equivalent to over 13 return flights from London to New York.

With construction currently underway at over 40 sites nationwide, this technology represents a scalable and impactful solution. Following the success of the trial, Flybrid systems are now being standardised across all new McCarthy Stone developments, aligning with the Group's ambition to deliver Net Zero carbon homes by 2030.

This case study demonstrates how adopting innovative solutions through collaborative supply chain partnerships can accelerate the decarbonisation of construction, reduce operational costs, and support the transition toward diesel-free, low-carbon building sites.

Health, Safety and Environment Annual Conference, Fostering a Safer, Stronger Site Culture

Our annual Site Managers Health, Safety and Environment (HSE) Seminar and Awards in 2024 brought our construction teams together to reflect, learn and collaborate on key health, safety and environmental priorities. The conference highlighted a year of exceptional safety performance, celebrating over two years without a RIDDOR-reportable injury, alongside significant improvements in scaffold safety due to the collective efforts of internal teams and external partners like Simian.

The day also addressed the importance of maintaining momentum, with honest reflections on recent near misses and a renewed commitment to proactive site supervision. Attendees heard from two of our new charity partners, UK Men's Sheds Association and the Lighthouse Club, with the latter delivering mental health training for all site teams to strengthen wellbeing support.

We also set new HSE targets for the year ahead and recognised outstanding site leadership through our Annual Awards, with Daniel Blakeley named Site Manager of the Year for his work at our Didsbury site.



Daniel Blakeley being awarded Site Manager of the Year by Shane Paull, COO

Case Study

Celebrating Construction Excellence

Pride in the Job Awards



Our construction teams continue to achieve industry-leading standards, demonstrated by consistent success in the NHBC Pride in the Job Awards, the UK's most prestigious accolade for site managers.

Since 2021, we have proudly celebrated a total of 22 Pride in the Job Quality Awards. Highlights include six award wins in both 2021 and 2022, with standout recognition for sites in Whitley Bay, Buxton, Wigan, Chipstead, Dorchester, and Bridport. In 2023, six of our site managers were again recognised, with two receiving Seals of Excellence and one named Regional Winner. In 2024, four further site managers were honoured for their commitment to quality and leadership on site.

This continued recognition reflects the dedication, consistency, and pride our site teams take in delivering high-quality, sustainable homes year after year.

Data correct as at August 2025. Financial years are November to October. Scope 1 and 2 emissions consumption data has been calculated using the respective years Greenhouse Gas Reporting: Conversion Factors and Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance, HM Government . McCarthy Stone is the trading name for McCarthy & Stone Limited and all subsidiaries.

We subscribe to and comply with the Consumer Code



More than 90% of our customers say they would recommend us, which means we've been awarded the maximum 5-star rating for customer satisfaction. We've achieved this rating every year we have taken part in the survey.



Protection for new-build home buyers



McCarthy Stone

Retirement living *your way*