

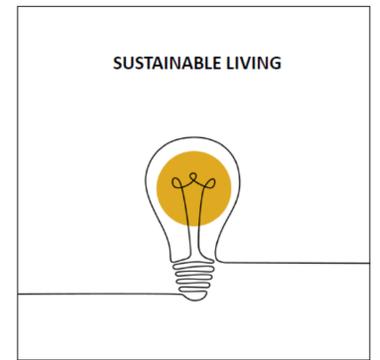
SUSTAINABLE
LIVING AND
BUILDING CLEAN &
GREEN
REPORT
FY22

McCARTHY STONE

Life, well lived

OUR SUSTAINABILITY JOURNEY

In 2021, McCarthy Stone launched an exciting sustainability strategy which outlined our journey, key imperatives and objectives. As a business, we recognise the social and environmental responsibility we have to our customers, our employees, and the communities within which we operate. Therefore, our sustainability journey is centred around four key imperatives: Creating Communities, Developing People, Sustainable Living, and Building Clean & Green. Read the [Sustainability Statement here](#).

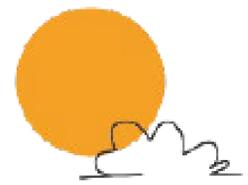


SUSTAINABLE LIVING AND BUILDING CLEAN & GREEN

As part of the environmental agenda, we published our Sustainable Living and Building Clean & Green Strategy, overseen by our Group Sustainability Committee which is led by our CEO John Tonkiss. This report will provide an update on FY22 including highlights, key successes and our key objectives for FY23-25 across our three priority areas (below).

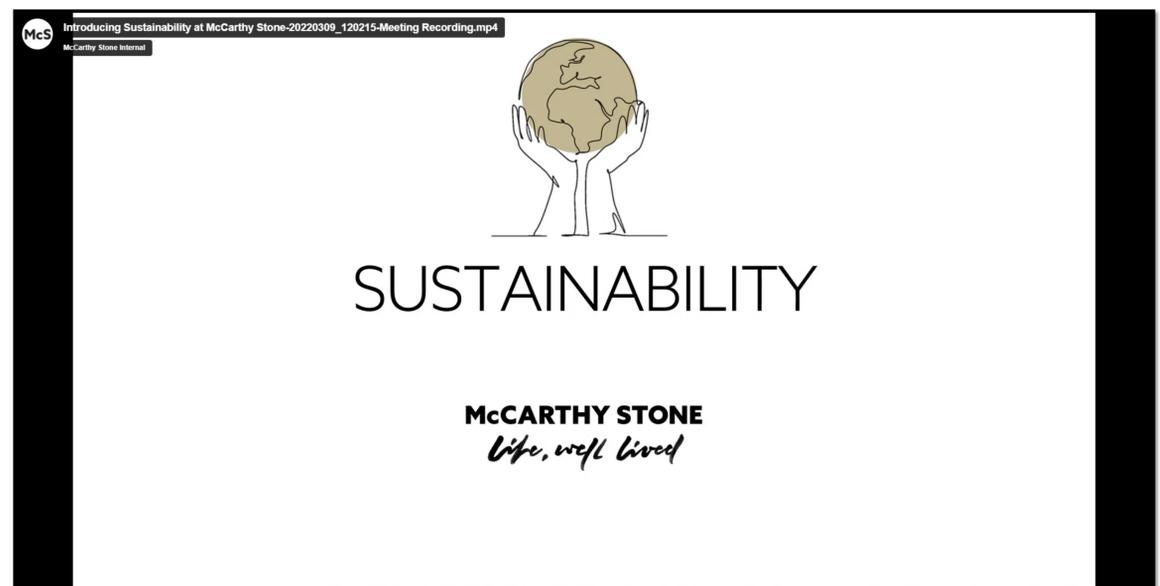
		Customer-Centric		
		Energy and Carbon	Biodiversity and Nature	Waste and Resources
Aspect		Energy and Carbon	Biodiversity and Nature	Waste and Resources
Goals		Net Zero Carbon.	Enhance natural habitat.	Minimise waste, resource responsibly.
		...in order to meet the needs of the present without compromising future generations		
Current Status		<ul style="list-style-type: none"> Net Zero Carbon Roadmap agreed. Issued standard energy reduction guidance. Commenced site carbon emissions pilots. 	<ul style="list-style-type: none"> Commenced Wildlife Trust partnership. Initial Biodiversity Net Gain (BNG) plans agreed. Wildlife habitat menu agreed. 	<ul style="list-style-type: none"> Waste intensity reduced by 20%. 99% Diversion From Landfill achieved. Sustainable Procurement Policy (SPP) issued.
Start FY23		Commence Energy Reduction Plans	BNG and Habitat Plan for Every New Project	All Divisions Meeting Waste Intensity Target
2023-25 Objectives		<ul style="list-style-type: none"> £1 Million Pound Electricity Saving by Nov 23. 20% Site Carbon Reduction by Nov 24. Embodied Carbon Benchmark by Nov 25. 	<ul style="list-style-type: none"> BNG Plan for all new Stage 1 sites from Nov 22. Each scheme to incorporate at least one new habitat into the design by Nov 23. 	<ul style="list-style-type: none"> Waste intensity <5 t/100m² by Nov 23. Plasterboard waste <20% by Nov 24. Implement SPP Roadmap by Nov 24.
How		<ul style="list-style-type: none"> Engineering solutions and innovation. Standardised energy management. Knowledge Hub to share best practice. 	<ul style="list-style-type: none"> Update Wildlife Trust framework. Wildlife Trust workshops and training. Knowledge Hub to share best practice. 	<ul style="list-style-type: none"> Schedule of Reusable Items. Pilot initiatives in top three waste streams. Knowledge Hub to share best practice.
KPI's		<ul style="list-style-type: none"> KWH Electricity consumed. Kilograms of Carbon Emitted. Embodied Carbon baseline metric. 	<ul style="list-style-type: none"> Average BNG percentage. Habitats created. 	<ul style="list-style-type: none"> Tonnes per 100m² of build by site. Diversion from Landfill rate. Suppliers / materials SPP compliant.
		Legal Framework		

Develop Employees



OUR FIRST SUSTAINABILITY WEBINAR

We kicked off the year with a business wide sustainability webinar, hosted by the Health, Safety and Environment (HS&E) Team who were joined by members of the Senior Leadership Team (SLT). The webinar updated the business on our sustainability journey and presented our key priorities for the coming year and beyond.



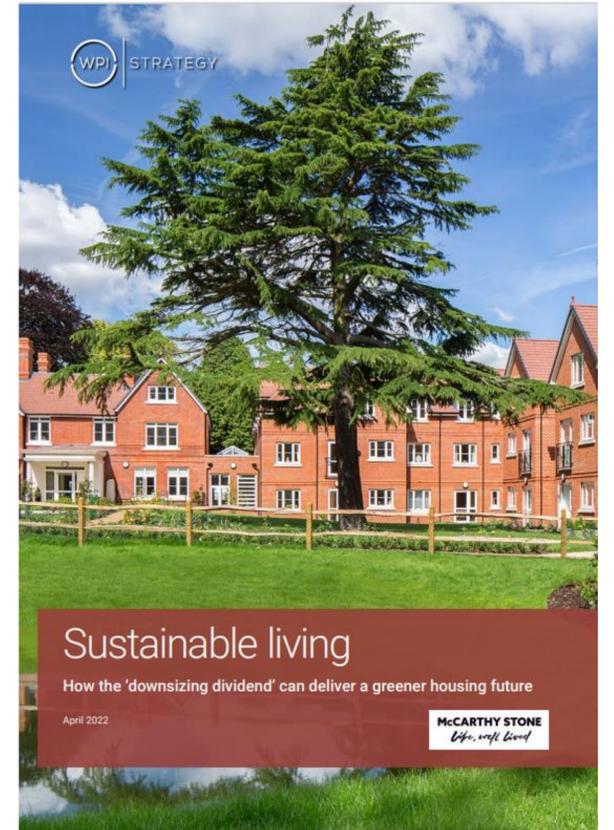
SUSTAINABILITY BENEFITS OF OUR RETIREMENT COMMUNITIES

Downsizing to a retirement community could help the UK decarbonise more quickly, according to research published by public policy consultancy WPI Strategy in FY22. The research highlights environmental benefits of building new retirement housing. Examining properties built in 2021 by McCarthy Stone, the report found that each apartment could save up to c. two tonnes of CO2 per year compared to a standard new-build house, creating a 'downsizing dividend'.

The research by WPI Strategy also highlighted several other ways that retirement housing positively impacts the environment:

- Residents are less likely to drive, and it is estimated that building a typical retirement development could take up to 15 cars off the roads. Collectively these cars would have driven 1,800 miles a week.
- With around nine in 10 McCarthy Stone apartments developed on brownfield land rather than greenfield land, in comparison to an average of six in ten new-build houses, retirement housing brings previously developed land back into use, saves green fields, and frequently requires the tidying up of contaminated land which would have posed a threat to biodiversity.

Read the Sustainable Living: How the 'downsizing dividend' can deliver a greener housing future here.



“The UK’s net zero journey needs to consider how we meet the rising demand for homes in the most sustainable way and tackle the housing crisis at the same time. By ensuring that 10% of new housing developed is designed specifically for older people, the government can ensure more people – young and old – enjoy the downsizing dividend, as well as helping more older people live a healthy and happy later life.”

John Tonkiss, McCarthy Stone CEO

KPI UPDATE AND HIGHLIGHTS FROM FY22

Priority Areas	Objectives	FY21	FY22
Energy and Carbon	Kwh Electricity Consumed	46,407,635	38,678,887
	Scope 1 and 2 Carbon Emissions (tCO2e)	15,983	13,731
	Embodied Carbon	Baseline Year 2023	
Biodiversity and Nature	BNG Plan for all new stage 1 sites	N/A	✓
	Biodiversity feature in every new development	N/A	✓
Waste and Resource Efficiency	Tonnes per 100m ² of Build by site	6.06 t/100m ²	5.43 t/100m ²
	Build Diversion from Landfill Rate	97%	99%
	Suppliers/Materials SPP Compliant	Baseline Year 2023	

NET ZERO CARBON ROADMAP AGREED

SUSTAINABLE PROCUREMENT POLICY PUBLISHED

20% REDUCTION IN BUILD CONSTRUCTION WASTE AGAINST A 2020 BASELINE

SUSTAINABILITY AGENDA PROMOTED TO ALL EMPLOYEES AT FY23 KICK OFFS

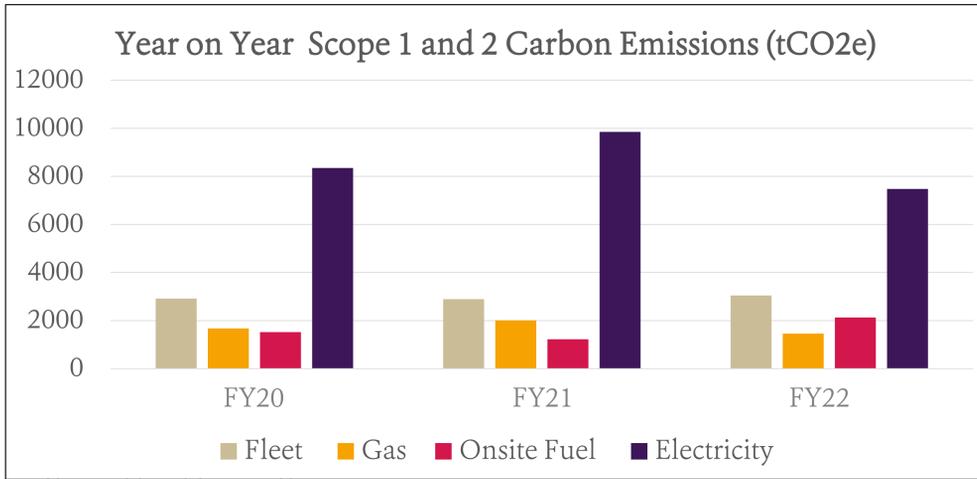
ACHIEVED A 99% DIVERSION FROM LANDFILL RATE

PARTNERED WITH THE WILDLIFE TRUST CONSULTANCIES

ENERGY AND CARBON

CARBON EMISSIONS REPORTING

Throughout the year, we reviewed, updated and improved our environmental reporting methodologies to improve accuracy and transparency in our data collation. The data we collate for our carbon emissions informs business decisions, evidence efficiencies and is also used for statutory reporting. The graph (below) illustrates our scope 1 and 2 carbon emissions showing reduction in electricity and gas consumption in FY22.



A FOCUS ON ENERGY

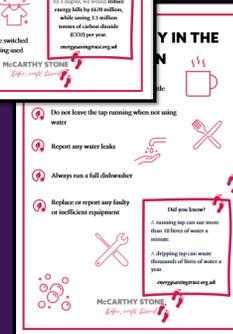
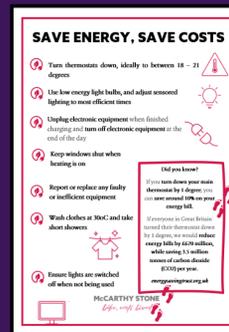
An Energy Taskforce with key stakeholders from across the business was formed. The aim was to identify and implement energy efficiency initiatives across the business, and to support our customers during the energy crisis.

The taskforce worked closely with our energy broker, Coop Power, to implement a reporting dashboard for our utility data. The league tables and half hourly energy usage heat mapping informed decisions and highlighted areas of focus.



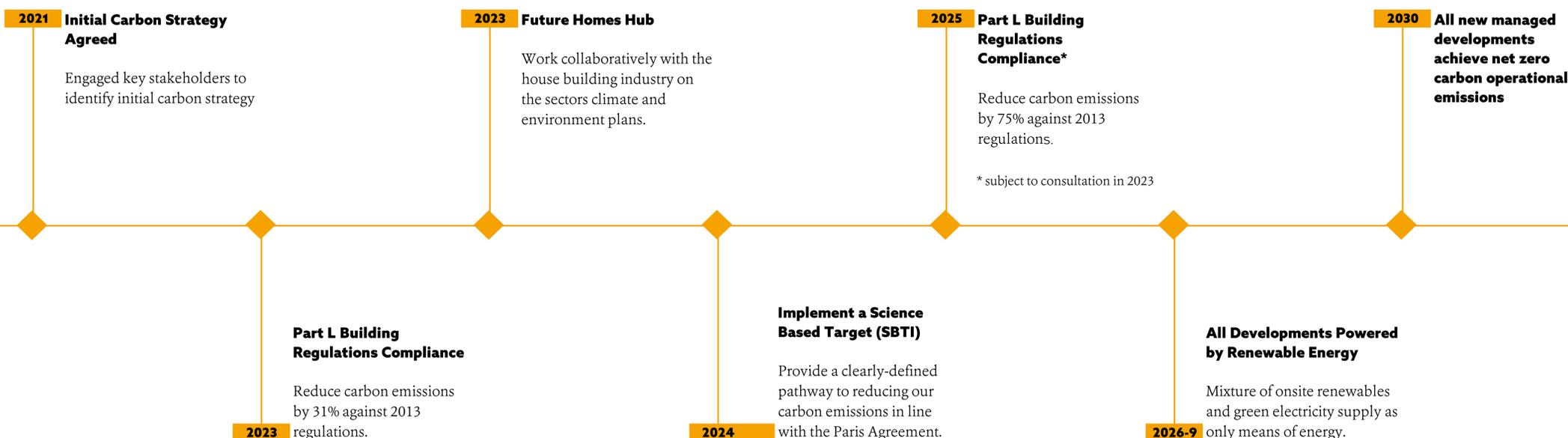
OUR FIRST NET ZERO WEEK

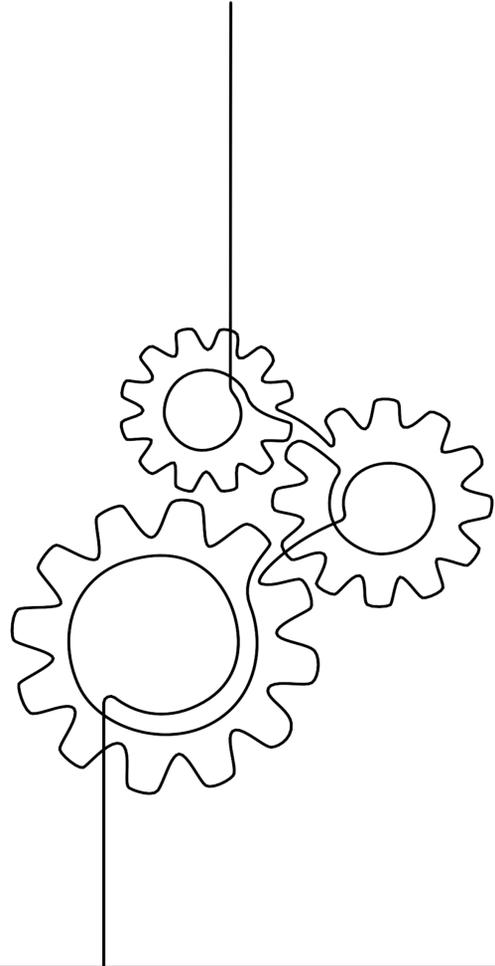
We ran our first Net Zero Week, held alongside the UK's national awareness week on zero carbon. During the week, we communicated a suite of resources targeted for each area of the business. These resources included energy efficiency guidance, Tool Box Talks, energy efficiency posters and questionnaires to help local teams identify and implement energy efficiency initiatives. We carried out over 50 energy audits across our managed developments, offices and construction sites!



NET ZERO CARBON ROADMAP

At the beginning of the year we agreed our Net Zero Carbon Roadmap (below). It summaries the key stages to achieve net zero operational carbon emissions from newly constructed managed developments by 2030, as well as, business operational emissions and industry engagement. We recognise the importance and need to work collaboratively with the house building industry through the Future Homes Hub.





ENERGY EFFICIENCY AT BANKS PLACE, SWINDON

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

They supported several home owners to have clocks retrofitted to their Gledhill water heaters allowing them to set heating times. The initiative was taken up by 85% of the home owners 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.



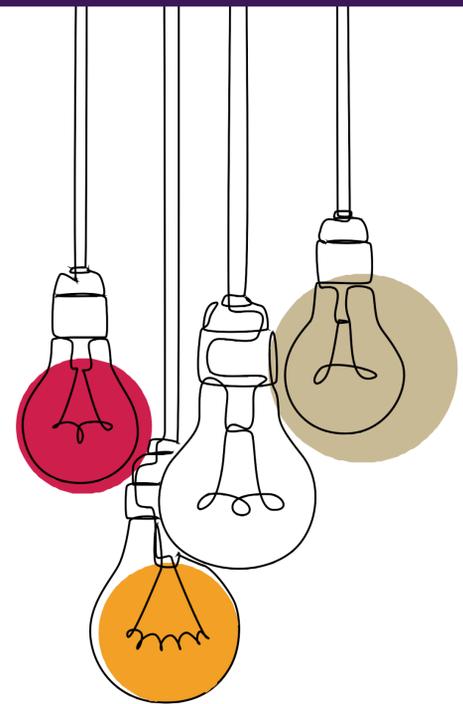
REDUCING ENERGY BILLS AT KEATLEY PLACE, MORETON-IN-MARSH

The management team at Keatley Place in Moreton-in-Marsh achieved 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.



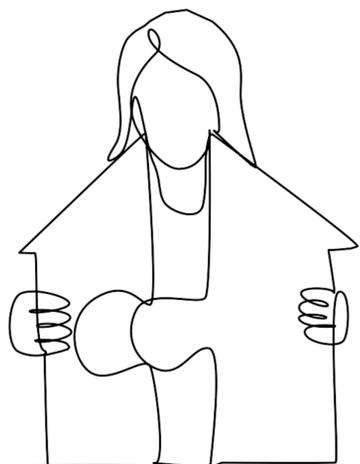
ENERGY BEHAVIOUR CHANGE AT BEATTY COURT, NANTWICH

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 homeowners newsletter, as well as government 'help for households' information.

The development supplied and fitted 3 waterbutts 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.



ECOLOGY AND BIODIVERSITY

WILDLIFE TRUSTS

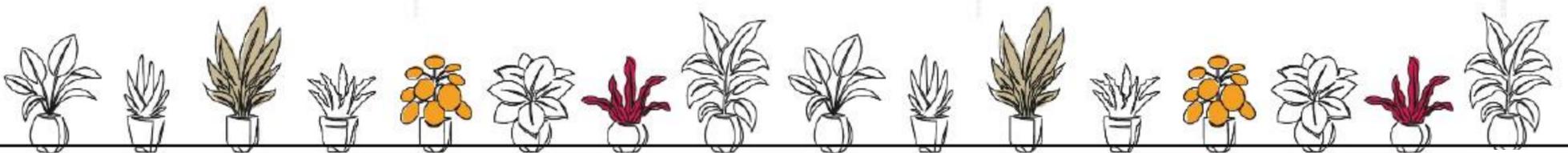
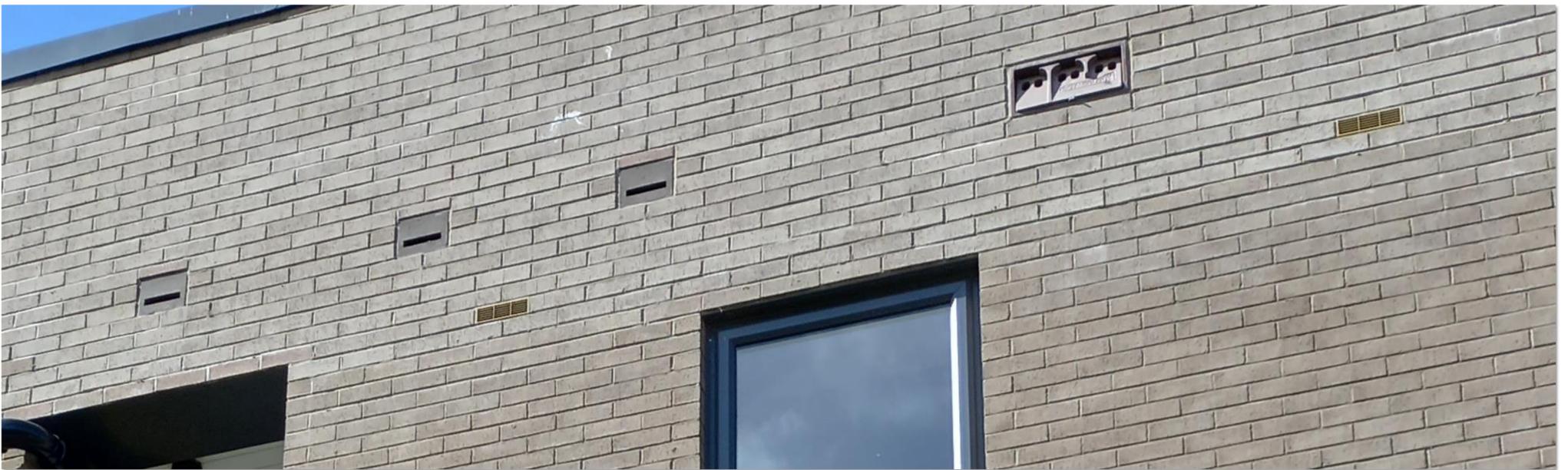
In FY22 we partnered with the Wildlife Trust Consultancies to deliver and comply with our biodiversity, ecological and Biodiversity Net Gain (BNG) requirements. The partnership allows us to positively contribute to the UK's national biodiversity and support the wildlife trusts with their mission around protecting the natural environment, and to provide us with expertise in BNG requirements.



**Wildlife Trust
Consultancies**

BIODIVERSITY AND WILDLIFE ENHANCEMENTS

Our developments have always ensured they implement local biodiversity and ecology planning requirements, and most had a wildlife enhancement. In FY22, we mandated all future sites to ensure they include a wildlife enhancement. Examples of these include bee bricks at our Romsey Site (top left), a green roof at our Oakwood Site (middle left), a living wall at our Chelmsford Site (top right), and swift and bat boxes at our Swindon site (bottom).



WASTE AND RESOURCE MANAGEMENT

In 2022, we made considerable strides in delivering our long term goals under the Waste and Resources pillar of our strategy. We achieved a massive 20% reduction in our waste intensity compared to our 2020 baseline and 99% diversion from landfill rate.

WASTE CONTRACTOR ENGAGEMENT

We have worked very closely with our waste contractors to ensure accurate reporting and auditing. We recognise that accurate reporting allows us to make informed decisions, target initiatives and work with suppliers to reduce waste from specific waste streams. Close partnerships with our waste contractors are vital as they provide site teams with support to reduce waste and increase our diversion from landfill. Watch our partnership video with Kenny Waste Management to find out more here.



WASTE MANAGEMENT BEST PRACTICE

A Waste Working group was set up to explore ways to reduce waste onsite with key stakeholders and pilot sites. The group found many of our sites are implementing reusable items, resource and waste management best practice onsite.

Two guidance documents were shared: a Schedule of Reusable Items and Materials (below) and Golden Rules of Waste Management to standardise this waste and resource management best practice across all sites.



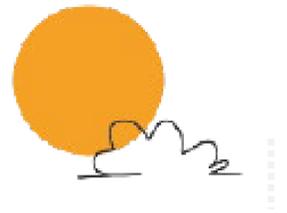
COMMUNITY ENGAGEMENT, RESOURCE MANAGEMENT AND WASTE REDUCTION ON OUR SITES

Our construction sites utilise site exchanges and buy and use reusable items. The sites also work with suppliers, stakeholders and the community donations and engage suppliers through takeback schemes. Some examples from FY22 include; our Macclesfield Site team donated timber to Macclesfield College (below left), our Rugby site team build a 'Mud Kitchen' for a local primary school (below right), and our Burley in Wharfedale site team built a hazardous waste station out of timber offcuts (right).



SUSTAINABLE PROCUREMENT

The Strategic Procurement Team published our Sustainable Procurement Policy and worked closely with suppliers to ensure the materials we are using support our 'Sustainable Living and Building Clean & Green' strategy. In FY23, we will be focusing on ensuring products and services supplied via our national frameworks are as sustainable as possible, with a 2 year action plan and various milestones identified. Throughout FY22, we have implemented a number of arrangements with suppliers:



SITE HOARDING

All hoarding panels are supplied and managed by GK Signs, who re-use them on another site and recycle them at the end of their life.



PAINT CANS

Akzo Nobel (Dulux) operate a Paint Can Recycling Scheme through their Dulux Decorators Centre branches for all empty and dry paint cans to be collected from site.



WHITE GOODS PACKAGING

JPD Contracts, who supply our white goods, remove all of their own packaging waste from any sites where they provide a supply and install service. This is returned to their head office where it is sorted, baled and sent onward to recycling centres.



PLASTIC PIPES

Wavin, who supply all of our Plastic Pipes, use Recycore Technology in drain and soil pipes which uses over 50% recycled PVC whilst ensuring that products have at least the same proven and excellent performance characteristics as those made with virgin materials.

INTERNAL DOORS

Staircraft who provide our Internal Doors are part of Travis Perkins PLC, who at our recently Gala Dinner won the award for Sustainability within our Supply Chain. Staircraft and the wider TP Group have a plethora of initiatives currently ongoing and are widely regarded as leaders within construction when it comes to Sustainability.



KITCHEN APPLIANCES

Beko PLC, who supply our Kitchen Appliances and their parent company Arçelik, are the highest scoring household durables company on the Dow Jones Sustainability Indices. They currently use recycled fishing nets to make parts for their oven and dishwashers, whilst the tubs of their washing machines use up to 60 recycled plastic bottles.



OUR SUSTAINABLE MINDSET

EMPLOYEE VALUES AWARDS

At McCarthy Stone we are striving to be, and think, sustainably at every opportunity.

Our values awards encompass this sustainable mindset. In FY22, all of our Values Awards were printed on seeded paper so employees can plant their awards at our office locations or at home. Once planted, the wild flowers can be enjoyed by all. Particularly the bees and butterflies!

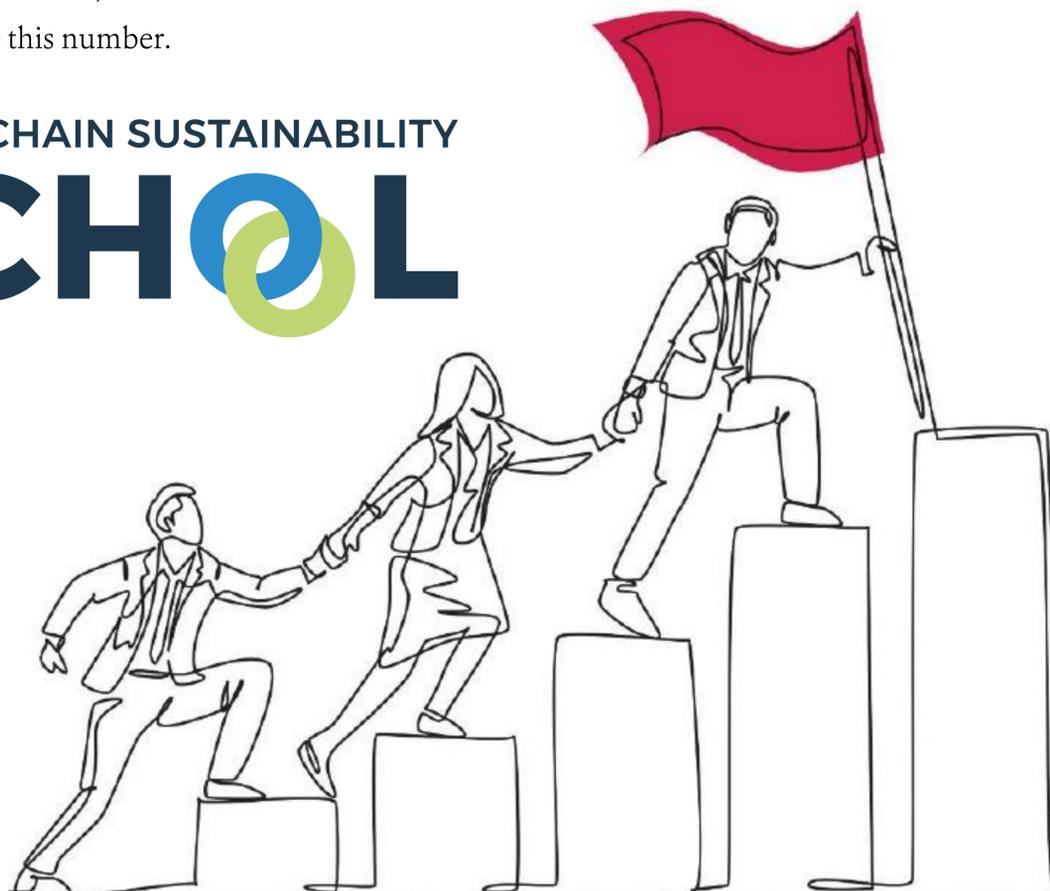


SUPPLY CHAIN SUSTAINABILITY SCHOOL

We continue to utilise our partnership with the Supply Chain Sustainability School to upskill our employees and support our contractors and suppliers to ensure sustainability is high on their agenda.

By the end of FY22, approximately 75% of our national framework suppliers are signed up to the Supply Chain Sustainability School, with ambitious KPI's set to increase this number.

SUPPLY CHAIN SUSTAINABILITY SCHOOL



PPE AND UNIFORM RECYCLING

This year we introduced a workwear recycling scheme with a waste provider to ensure we are responsibly disposing of uniforms and PPE. The waste provider disposes, recycles and re-uses materials for future manufacturing, different products or melted into pellets to generate energy.

A FOCUS ON FY23 AND OUR PRIORITIES

- FY23 will bring a continued focus on energy and carbon. We will be embedding guidance, sharing best practice and implementing engineering solutions to reduce energy throughout our estate. We will also be running Net Zero week for a second year, supporting the UK's agenda and national awareness week on zero carbon.
- We will be supporting the business with Biodiversity Net Gain legislation by creating guidance, running workshops and collating benchmarking data to inform future decisions which will maximise our net gain across our sites.
- We aim to work closely with stakeholders and our waste contractors to pilot innovations and best practice ways of working to reduce our waste even further. A focus will be held on specific waste streams and Concept to Completion Guidance.
- In FY23, the Strategic Procurement team will be conducting heat mapping sessions to identify, prioritise and roadmap our sustainability risks in our supply chain.

