Welcome to your CDP Climate Change Questionnaire 2023

C0. Introduction

C0.1

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

Crest Nicholson is a leading residential developer in the UK. We operate through seven housebuilding divisions. In addition, a centralised specialist Partnerships & Strategic Land division (CNPSL) focuses on partnerships, a multi-channel approach and strategic land. Our portfolio meets the needs of a wide range of purchasers, from first time buyers to investors, with a product range that includes houses, apartments, and commercial units on mixed-use developments.

The Group's purpose is to build great places for our customers, communities and the environment. We strive to improve the quality of life for individuals and communities by building attractive homes in desirable surroundings. To deliver on this, we have five strategic priorities (placemaking and quality, land portfolio, operational efficiency, five-star customer service and multi-channel approach). These priorities are underpinned by four foundations (safety, health and environment, sustainability and social value, people, and financial targets).

We recognise the responsibilities we have as a Group to maintain the natural, human and social capital we engage with while creating value for business and society. This is why sustainability is an integral part of our business strategy and culture. We are committed to reducing greenhouse gas emissions and waste and we are working proactively both internally and externally with our stakeholders to deliver on this. We aim to reduce the impact our homes and developments have on the environment and create developments that are well-adapted and future-proofed for a changing climate. We are committed to creating social value, delivering a positive impact through our relationships with customers, the communities in which we operate, suppliers and our people.

We continue to innovate, whether carrying out research into low-carbon housing solutions, partnering with our supply chain to reduce carbon and waste, or developing our product for a rapidly evolving market, the focus is on delivery, quality, and choice for our customers and sustainable business value for our stakeholders.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data and indicate whether you will be providing emissions data for past reporting years.

Reporting year

Start date

November 1, 2021

End date

October 31, 2022

Indicate if you are providing emissions data for past reporting years

No

C0.3

(C0.3) Select the countries/areas in which you operate.

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

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	GB00B8VZXT93

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 or committee	Responsibilities for climate-related issues
Chief Executive Officer (CEO)	Our Chief Executive Officer (CEO) is responsible for sustainability, including climate-related issues, and is ultimately accountable for the risks and opportunities that impact the business. The CEO chairs the Sustainability Committee, which is delegated responsibility from the Board and Executive Committee to oversee the development and delivery of strategic aims and initiatives to improve sustainability performance, including our response to climate change. With the CEO having responsibility for sustainability, this ensures there is accountability for climate change at the highest level of the corporation. As an example of a climate-related decision made in 2022, the CEO and Board approved the Group's science-based targets that were subsequently validated by the Science Based Targets initiative. In 2022, the CEO and Board also approved the new Sustainability Linked Revolving Credit Facility which includes climate-related targets.

C1.1b

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

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – all meetings	Reviewing and guiding annual budgets Overseeing major capital expenditures Overseeing acquisitions, mergers, and divestitures	The Group Operations Director provides an update on our sustainability strategy and performance at each main Board meeting. Discussion at the meeting includes initiatives to mitigate our climate impact, progress against our greenhouse gas emissions, renewable energy and waste targets, future climate strategy, and how the business is responding to emerging climate-related regulations.

	Reviewing innovation/R&D priorities Overseeing and guiding employee incentives Reviewing and guiding strategy Overseeing and guiding the development of a transition plan Monitoring the implementation of a transition plan Overseeing and guiding scenario analysis Overseeing the setting of corporate targets Monitoring progress towards corporate targets Overseeing and guiding public policy engagement Overseeing value chain engagement Reviewing and guiding the risk management process	The Group Operations Director also provides a report and verbal update to the Executive Committee on a monthly basis. The report provides an update on key initiatives to mitigate our climate impact, as well as other sustainability issues. It also provides updates on performance against our greenhouse gas emissions, renewable electricity and waste targets. The Executive Committee has two Board members in attendance, including the CEO. A Sustainability Committee meets quarterly and is chaired by our CEO. Future policy, emerging trends and current ESG performance are reviewed and plans are put in place to enable continuous improvement. Important updates on ESG matters, including climate-related risks, are provided to the Board. The CEO reviews and signs off the Climate Change, Sustainability, Sustainable Procurement and Sustainable Timber policies.
Scheduled – all meetings	Reviewing and guiding annual budgets Overseeing major capital expenditures Overseeing acquisitions, mergers, and divestitures	Climate-related risks are considered for all potential new projects. Flood risk of the site, overheating risk of the homes and ecological impact are reviewed and considered – and form part of the decision to proceed or not. Divisional board meetings take place monthly in which site progress is reviewed and progress against performance objectives is discussed. This includes potential climate-related risks and opportunities. As part of the Group-wide Risk Management Framework, Divisions update their risk registers bi-

		annually. The risk registers include a specific section on climate-related risks and opportunities.

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues
Row 1	Yes	We assess the competence of board members based on the following criteria: Does the board member: • Have a general understanding of climate change, which includes: o The role of greenhouse gases and their impact on the climate o The risks and opportunities arising from a changing climate o The importance of reducing greenhouse gas emissions and opportunities to make reductions • Attend meetings in which climate change is a regular discussion point, e.g. Sustainability Committee

C1.2

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

Position or committee

Sustainability committee

Climate-related responsibilities of this position

Managing annual budgets for climate mitigation activities
Providing climate-related employee incentives
Developing a climate transition plan
Implementing a climate transition plan
Integrating climate-related issues into the strategy
Conducting climate-related scenario analysis
Setting climate-related corporate targets
Monitoring progress against climate-related corporate targets

Managing value chain engagement on climate-related issues
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities

Reporting line

Reports to the board directly

Frequency of reporting to the board on climate-related issues via this reporting line

Quarterly

Please explain

The Sustainability Committee has delegated responsibility from the Board and Executive Committee to oversee the development and delivery of strategic aims and initiatives to improve sustainability performance. Chaired by our Chief Executive, the Committee met four times during FY22 and provides regular updates to the Board and Executive Committee. The CEO has ultimate responsibility for sustainability, including climate change, and chairs the Committee.

Key responsibilities of the Sustainability Committee include:
- Developing and monitoring the Group's approach to sustainability, including the impact on the environment and climate change
- Reviewing policies relating to sustainability, including the Climate Change Policy
- Reviewing suitability of and making recommendations to the Executive Leadership Team or Board in relation to sustainability metrics, KPIs and targets. Example: in 2022 the
Committee recommended the science-based targets to take to the Executive Committee and Board.
- Reviewing the ongoing performance of agreed metrics, KPIs and targets, including our GHG emissions reduction targets
- Assessing and managing climate-related and wider ESG risks and opportunities
- Keeping abreast of current and emerging legislation, ensuring business compliance.

Position or committee

Other C-Suite Officer, please specify
Group Operations Director

Climate-related responsibilities of this position

Managing annual budgets for climate mitigation activities
Managing major capital and/or operational expenditures related to low-carbon products or services (including R&D)
Developing a climate transition plan
Implementing a climate transition plan

Integrating climate-related issues into the strategy
Conducting climate-related scenario analysis
Setting climate-related corporate targets
Monitoring progress against climate-related corporate targets
Managing public policy engagement that may impact the climate
Managing value chain engagement on climate-related issues
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities

Reporting line

CEO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line

More frequently than quarterly

Please explain

Our Group Operations Director has executive responsibility for sustainability and climate-related risk and sits on both the Executive Committee and Sustainability Committee. The Group Operations Director manages the Group disciplines that support the delivery of climate-related outputs and ensures that climate-related risks and opportunities are assessed and managed, and business opportunities are realised. A Group Operations report is provided monthly to the Board and Executive Committee, which includes an update on performance against our climate-related targets and outlines any upcoming regulatory changes. The Group Operations function has in-depth knowledge of climate-related matters including current and emerging policy. Members of the team sit on external working groups, including the Future Homes Hub and Supply Chain Sustainability School, to develop knowledge and engage with the wider industry.

Position or committee

Other committee, please specify

Executive Committee

Climate-related responsibilities of this position

Providing climate-related employee incentives
Integrating climate-related issues into the strategy
Monitoring progress against climate-related corporate targets
Assessing climate-related risks and opportunities

Coverage of responsibilities

Reporting line

Reports to the board directly

Frequency of reporting to the board on climate-related issues via this reporting line

More frequently than quarterly

Please explain

Regular updates on sustainability, including climate change, are provided to the Executive Committee and Board. Any major strategic and expenditure issues will be taken to
the Executive Committee and Board for approval. The Executive Committee monitors progress against climate-related KPIs and initiatives to reduce greenhouse gas emissions.

C1.3

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

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	Our Executive Leadership Team are incentivised to reduce greenhouse gas (GHG) emissions by linking GHG emission performance to the Long Term Incentive Plan (LTIP). This incentive directly relates to our sustainability strategy and science-based targets, as well as being a measure linked to our Sustainability Linked Revolving Credit Facility. Waste performance is included in our Group and Divisional team's remuneration package, incentivising waste reduction across the business. Our company car scheme includes an allowance uplift for lower emission vehicles, incentivising colleagues to choose lower emission vehicles. All colleagues eligible for a company car or car allowance are included in this incentive.

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).

Entitled to incentive

Corporate executive team

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary

Performance indicator(s)

Progress towards a climate-related target
Achievement of a climate-related target
Reduction in absolute emissions

Incentive plan(s) this incentive is linked to

Long-Term Incentive Plan

Further details of incentive(s)

Our Executive Leadership Team are incentivised to reduce greenhouse gas (GHG) emissions by linking GHG emission performance to the Long Term Incentive Plan (LTIP).

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

Our Executive Leadership Team plays a critical role in communicating the Group's commitments towards climate change and driving action across the business. Linking greenhouse gas emissions performance to the Long Term Incentive Plan provides an added incentive to reduce GHG emissions. This incentive directly relates to our sustainability strategy and science-based targets, as well as being a measure linked to our Sustainability Linked Revolving Credit Facility.

Entitled to incentive

All employees

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary

Performance indicator(s)

Progress towards a climate-related target
Other (please specify)
Reduction in waste intensity

Incentive plan(s) this incentive is linked to

This position does not have an incentive plan

Further details of incentive(s)

Our divisional employees are incentivised to reduce waste by linking their annual bonus to waste performance.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

Waste and material consumption contribute towards our scope 3 greenhouse gas emissions. Incentivising waste reduction across the Group will support improved material management and a reduction in waste, which in turn reduces the Group's scope 3 emissions and supports our scope 3 science-based target.

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	0	3	Short-term is considered to be under 3 years. This covers the current operating climate and aligns with our business planning cycle. Existing legislation is likely to be in place for most of this time horizon.
Medium-term	3	10	Medium-term is considered to be between 3 and 10 years. This covers the period where legislation currently under consideration is more likely to take effect and have an impact on the business. It also aligns with the time period for our 2030 science-based targets.
Long-term	10		Long-term is considered to be anything over a 10-year time horizon. This period is challenging to predict. While it is clear the climate has already changed, and this is going to continue, the physical risks relating to climate change are likely to have a more significant impact in the long term. Considering risks out to 2050 prompted exploratory discussions on the likelihood and impact of a range of risks and opportunities that are different or more severe than those experienced today.

C2.1b

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

A substantive financial impact is considered to be an impact leading to a material change in the Group's revenue, profit or ROCE. Due to its subjectivity, Crest Nicholson has not defined a substantive financial impact, but in the financial year 2022, our external auditors set quantitative

thresholds for materiality, which were used alongside qualitative considerations. Overall materiality for the Group financial statements was set at £6.4 million, which was approximately 5% of the FY2022 profit before tax and exceptional items.

We define a strategic impact as substantive when the impact necessitates a change to our business strategy or has an impact, now or in the foreseeable future, on:
1. Our build programme or productivity,
2. Our business partnerships and reputation,
3. Our employees' health, well-being and productivity.

To determine the materiality of climate-related risks and opportunities, the Group considers a combination of financial and strategic impacts.

C2.2

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

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

Risk management is embedded throughout our strategy and decision-making process in achieving our objectives. Our Group-wide Risk Management Framework, as laid out in our Risk Management Policy, supports us in providing assurance that we have identified and are addressing our principal and emerging risks, which include climate change.

The Board has overall responsibility for risk management, including climate-related risks and opportunities, formally reviewing this twice a year and updating the Group's principal risks. In our financial year 2022 (FY22), climate change was identified as one of the Group's principal risks and the risks relating to climate change are identified, assessed, managed and monitored in line with our Group-wide Risk Management Framework.

Risk management and future opportunities are also regular agenda items for all parts of the business with an emphasis on continuous improvement.

In FY22 we established a Climate Risk Working Group (Working Group) to review our existing list of climate-related risks and opportunities in greater detail and support our climate change disclosure. The Working Group includes colleagues from disciplines across the business, including Finance, Production, Procurement, Technical, Sustainability and Internal Audit. The Working Group developed an extensive list of risks and opportunities based on a peer review, internal expertise and external consultant support. The likelihood, potential impact to the Group and the timeframe for each risk was reviewed.

The assessment included a review of current and emerging regulations, trends in consumer preferences, reports on physical climate change impacts and current and potential future carbon pricing mechanisms. Following this exercise, a short list of risks and opportunities was developed and information was gathered to quantify potential financial impacts. Climate scenario analysis was conducted to gain an understanding of potential future impacts and test business resilience. We will continue to evolve our assessment and quantification of climate-related risks and opportunities.

Our divisions are responsible for considering how climate-related risks and opportunities may impact their developments. The divisions report climate-related risks and opportunities within their divisional risk registers, which are reviewed and updated twice a year, as part of the Risk Management Framework. Divisions also consider climate-related matters at a project level such as flood risk and overheating assessments when reviewing site selection.

Physical risk examples
At a Group-wide level, the most pertinent physical risks identified over the short, medium and long-term in FY22 included:
• Rising mean temperatures leading to an increasing risk of overheating in homes. To manage this risk, homes are subject to an overheating assessment at the design stage. The assessment identifies the level of risk and the mitigation measures required. (Medium to long-term relating predominantly to our downstream value chain).
• Changing precipitation patterns leading to more frequent droughts and flooding. To manage this risk, flood risk assessments are completed on all developments during the land acquisition process ensuring the Group understands what action is necessary to mitigate flood risk on any given project. To mitigate the risk of water stress and impacts from planning, our homes are designed to use less than 105 litres per person per day, less than Building Regulations require. (Medium to long-term relating predominantly to our direct operations).
• More frequent and severe weather events causing disruption to our sites, supplier facilities and transportation. To manage this risk, our SHE team monitor forecasts for severe weather and issue advisory notes across the Group to reduce the risks involved in these events. In 2022 these have included strong wind and high temperature events. We engage regularly with our supply chain partners to mitigate risks relating to material availability and to assess their management of climate risk and wider sustainability

performance. (Medium to long-term relating predominantly to our direct operations and upstream value chain).

At a project level, risks and opportunities are identified and assessed throughout the project lifecycle and feature regularly in project view and build cost meetings. Risks such as flooding, overheating and local authority requirements are reviewed with our consultants, and mitigation measures are implemented. The risks and associated mitigation measures are factored into the cost of the land.

Transition risk examples
At a Group-wide level, the most pertinent transition risks identified in FY22 included:
• Carbon taxes and other pricing mechanisms increasing costs relating to fuel and energy and the associated greenhouse gas emissions. To manage this risk, we are committed to reducing our GHG emissions across all scopes in line with our 2030 and 2045 science-based targets. We are engaging with supply chain partners to reduce upstream scope 3 emissions, reducing the impact of potential carbon taxes and other pricing mechanisms. (Medium to long-term relating predominantly to our upstream value chain).
• Emerging regulations to reduce GHG emissions such as the Future Homes Standard, which impacts the specification of our homes. To manage this risk, potential regulatory changes and consultations are reviewed closely by the Group Operations team. We also partner with planning authorities and expert consultants to achieve consensual cost-effective outcomes. (Medium-term relating predominantly to our direct operations).
• In the transition to lower emissions technologies, demand could lead to constraints in supply and skilled labour to install and maintain the products. To manage this risk, we engage with our supply chain to review low carbon technologies for our homes and will be testing low carbon heating solutions in FY23 and FY24 prior to the implementation of the Future Homes Standard. (Medium-term relating predominantly to our upstream value chain).

The climate-related risks identified contributed to the decision to make climate change a principal risk for the Group.

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	As a housebuilder in the UK, our industry is highly regulated, both from a business operations perspective as well as the homes and developments we create. It is crucial that we meet all relevant current regulations to successfully operate. Our ability to respond to current regulations is, therefore, a critical consideration in our climate-related risk assessment and is included within the Group's principal risks.

		Example of a current regulation risk considered: UK Building Regulations continue to drive improvements in quality, comfort, safety and climate resilience. The interim update to Part L of the Building Regulations is a current example (which took effect in June 2022) that drives a reduction in greenhouse gas emissions associated with homes. To respond to this regulation, our internal teams worked closely with our energy assessors to ensure design and specification changes to our house types are compliant with the new regulations. Through our climate risks and opportunities assessment, we had good visibility over the regulations and could plan accordingly and take into account additional costs in our strategy. Furthermore, Our Group Operations Team, including Heads of Technical, Procurement, Sustainability, and Safety, Health and Environment, keep track of forthcoming legislation through membership of industry bodies such as the Home Builders Federation (HBF), membership of workstreams within the Future Homes Hub, subscription to industry newsletters, sharing knowledge with peers and consultants, and attending relevant events. Based on this knowledge, the Group Operations Team regularly reviews our procedures to respond to current building regulations and emission reporting obligations. This ensures that we respond effectively and efficiently, while also avoiding non-compliance and potential fines or damage to reputation.
Emerging regulation	Relevant, always included	Emerging regulation has the potential to significantly impact our operations, build costs, and supply chain requirements. This is why emerging regulation, including changes to UK Building Regulations, is included within our principal risk register under both the 'Laws, policies and regulations' and 'Climate change' principal risks. Example of an emerging risk considered: The UK housebuilding industry is heavily regulated and a significant emerging regulation is the Future Homes Standard, which will require a significant reduction in the GHG emissions associated with the use of our homes and is planned to come into effect from 2025. This also provides an opportunity for our business as consumer expectations shift towards more sustainable products. To effectively respond to emerging regulation risks the Group Operations Team engage actively with industry bodies, the supply chain and government departments. The team also responds to formal consultations to influence future policy. This level of engagement ensures that our business is well-positioned to participate in consultation processes and respond to the resulting outcomes of the regulation in a proactive manner. Government papers, policies and strategies, such as the 25-year

		Environment Plan and Green Finance Strategy, together with updates from the Climate Change Committee, are also reviewed, monitored, and used to help predict potential future regulation and inform our strategy. Examples of other emerging regulations include: - Reporting requirements at a company level which continue to evolve such as the new phase of the Energy Savings Opportunity Scheme (ESOS). - The increasing likelihood that carbon pricing mechanisms will increase the price of carbon, for example through taxation or emissions trading schemes. This is important to consider in our risk assessment, especially with our significant upstream scope 3 emissions. - Potential future requirements to report on the embodied carbon of buildings.
Technology	Relevant, always included	The potential impact that new lower-carbon products and technologies have on our operations and our customers is a risk for our business and is included as part of our 'Climate change' principal risk. Examples of technology risks considered: The Future Homes Standard will mean new and/or potentially unfamiliar technologies will be used as a replacement for fossil fuel heating systems. For example, the installation of gas boilers, which the majority of the UK population are accustomed to, will be prohibited in new homes from 2025. They will be replaced with electric forms of heating, such as air source heat pumps. While lower-carbon technology is likely to reduce the lifetime emissions of homes, there is a risk of product failures, trades not accustomed to installing the technology, or customers being unfamiliar with the technology and its proper use. This can result in increased costs as well as customer dissatisfaction and reputational damage. The business is working with the supply chain to address the risks, but there is the potential that there will initially be a limited manufacturing capacity to deliver in bulk and there could be installation risks if there are not enough people with the required skills to install new technology. With the use of electric heating and an increase in requirements for electric vehicle charging, infrastructure on our developments will need to accommodate for this increased use of electricity. The Group Operations Team are actively engaging with our supply chain, consultants, Government and the wider industry to research a

		range of technologies and are also researching offsite manufactured (OSM) construction methods.
Legal	Relevant, always included	Legal obligations are considered in our climate change risk assessment and are included in our risk narrative within our 'Safety Health and Environment', 'Laws, policies and regulations' and 'Climate change' principal risks. Examples of legal risks considered: As a listed business we are required to meet several reporting regulations. These include, but are not limited to, the Energy Savings Opportunity Scheme (ESOS), Streamlined Energy and Reporting (SECR) and complying with the recommendations set out by the Taskforce on Climate-related Disclosure (TCFD). A failure to comply with reporting requirements could result in fines, reputational damage and delays in selling homes. We also consider other forms of legal risk, including litigation risk from customers if homes and developments are not adequately adapted to a changing climate and legal cases, such as action targeting a lack of ambition in climate goals or issues relating to greenwashing. The aforementioned reporting regulations were identified and considered in our climate-related risk assessment and measures were established to meet the requirements. The Group Operations Team attend relevant events and receive newsletters from industry bodies and law firms to ensure the business is kept up-to-date on legislation and legal cases that can help inform our work to minimise climate-related legal risks.
Market	Relevant, always included	The climate-related risk and opportunity assessment considers shifting consumer demand, including preferences for sustainable products that can both mitigate and adapt to climate change. As an example, recent research highlights a growing shift in consumer preferences towards more sustainable and low carbon products and research has observed that energy efficiency is rising up the agenda for prospective home buyers. The banking company, Halifax, noted increases in property values for more energy efficient homes. This, together with initiatives such as the Barclays Green Home Mortgage, Nationwide's Green Reward mortgage and NatWest's Green Mortgage, there is potential for an increase in demand for lower-carbon and more sustainable homes. At a Group-wide level, we gain feedback on the homes we build via the customer satisfaction surveys, which contain a wealth of information on the customer experience and quality of the home. This information is used to enable continuous improvement and monitor consumer opinion on issues such as the energy efficiency of homes and will allow us to

		monitor feedback on potential changes to the technology used in new homes.
Reputation	Relevant, always included	Societal awareness of climate-related issues, such as more severe weather, flooding, warmer temperatures and water shortages is increasing, and society is looking to corporations to respond decisively and effectively. Our reputation as a responsible business is predicated on our ability to do so. Our reputation as a responsible business and sustainable housebuilder could also impact our ability to purchase land and move developments through the planning process with local authorities, together with our ability to work with partners through our multi-channel approach. Our sustainability performance also has an impact on our ability to attract and retain employees as people look to work for ethical businesses that respond proactively to environmental and societal issues. Examples of reputation risk considered: There is an increasing public awareness of the risks associated with climate change, e.g. more severe weather including extreme temperatures and flood risk. While it may not be at the top of the checklist for most home purchasers, if we are not putting in place effective adaptation methods, it could have a future negative impact on our reputation and reduce customer satisfaction. Furthermore, if new technology doesn't perform as intended, is not installed correctly, or how to use it is not communicated adequately to customers, this has the potential to impact customer satisfaction and therefore our reputation. Conversely, the delivery of lower carbon homes and sustainable developments adapted to a changing climate can have a positive impact on reputation and could result in an increased demand for our homes. Another example is the fact that investors and lenders are also paying increasing attention to how businesses are managing ESG risks and scrutinising public disclosures relating to climate change. This has been observed through recent communication with investors, together with the fact that increasing numbers of investors and lenders are committing to net zero. For these reasons, the reputational impact of climate-related risks and opportunities is considered and included in the climate-related risk assessment.
Acute physical	Relevant, always included	A key acute physical risk for the business is the increasing frequency of severe weather events. These events can have an impact within our supply chain as well as our own site operations. This risk is considered in the climate-related risk assessment. The Independent Assessment of UK Climate Risk (CCRA3) highlights an observed increase in very wet days, which increases flood risk and impacts our ability to build,

		potentially slowing sites down and can lead to damage of existing work and materials on site. To combat the risk from more severe weather events, we have robust risk assessment plans in place for each site and our new house types incorporate offsite manufactured components that reduce the requirement for materials to be stored on site. Heavy rainfall events can also lead to flash flooding, having a knock-on impact on the build programme and a negative impact on customers once sites are complete. Flood risk is assessed on all sites and required mitigation measures are put in place. This includes the use of sustainable drainage systems, which minimise the risk from both pluvial and fluvial flood events. In 2022, 79% of our developments incorporated sustainable drainage systems to mitigate the risk of flooding. Severe weather can also increase health and safety risks on-site and can have an impact on our supply chain, leading to constraints in material availability and increased lead times and costs. The Safety, Health and Environment team monitor forecasts for severe weather and issue advisory notes across the business to reduce the risks involved in these events. In 2022, these have included strong wind and hot temperature events.
Chronic physical	Relevant, always included	Chronic physical climate-related risks are included in the climate-related risk assessment. The World Meteorological Organization (WMO) now predicts there is a 66% chance that in the next five years the world will temporarily breach 1.5C, up from 50% in 2022 and 0% in 2015. Temperature rises are already having an impact on the global climate. Examples of chronic physical risk considered: We are observing increasing occurrences of high temperatures in the UK and continued increases in temperature will lead to a higher risk of overheating in homes, which impacts comfort levels and air quality for the homeowner. To mitigate this risk, overheating risk is assessed at the design stage with appropriate measures incorporated. Precipitation patterns are also changing. The State of the UK Climate 2021 report, published in July 2022 by the International Journal of Climatology, states that in the last decade UK summers and winters have been 15% and 26% wetter respectively compared with the 1961-1990 average. The Independent Assessment of UK Climate Risk (CCRA3) also expects an increase in the number of wet winter days as well as an increase in the intensity of rainfall in both summer and winter. Our development teams monitor updates to flood risk maps and monitoring protocols as a consequence of changing precipitation patterns, which impact where we build and the required flood mitigation

		measures. With changing precipitation patterns, together with a high demand for water, there could be an increased likelihood of drought events. We design our homes to consume less water than building regulations demand in order to mitigate our impact on water scarcity and continue to engage with suppliers on opportunities to further reduce water consumption. Chronic physical risks can also impact our supply chain. For example, rising sea levels as a result of higher temperatures may impact certain supplier locations. Furthermore, increasing temperatures may impact productivity within our supply chain and could also lead to raw material supply issues.

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 direct costs

Company-specific description

There is a clear understanding that the built environment can play a significant role in helping to minimise the impacts of climate change. The UK Government has committed to achieving world-leading levels of energy efficiency and halving energy use in new buildings by 2030. With these ambitions, together with the government's legislated target to achieve net-zero greenhouse gas emissions by 2050, UK Building Regulations are progressively enhanced to reduce emissions from new homes.

A good example of an emerging regulation impacting Crest Nicholson is the Future Homes Standard, which will be implemented through the UK Building Regulations, Part L (conservation of energy and power). An initial update to Building Regulations requires new homes to deliver a 31% reduction in emissions (against 2013 regulations) from 2023. This is followed in 2025 by the Future Homes Standard, delivering at least a 75% reduction in emissions and prohibiting the use of fossil fuel heating. This will impact the technology used in our products as well as the specification of building fabric, which will increase build costs. We engage with Government and responded to the consultation in 2020. We also engage with the Future Homes Hub, an industry-wide collaboration, and our supply chain, to prepare for future requirements. The likely increased build costs are factored into our land appraisal process.

New lower-carbon products and technologies that are to be used in new homes could be unfamiliar to customers. If their use is unpopular or not communicated adequately (such as why it is important and how they are to be used), it could influence customer choice of a new home and/or their occupancy experience, as well as our reputation.

With a significant number of Councils declaring a climate emergency, some local authorities are requesting more ambitious carbon reductions than Building Regulations. There could be further regulatory change or an extension of the practice of local authorities imposing higher carbon standards through planning policy. There could also be future regulations around the reporting of embodied carbon.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

5,468,000

Potential financial impact figure – maximum (currency)

16,404,000

Explanation of financial impact figure

Until the Government confirms the final detail on the Future Homes Standard, it is uncertain as to what extra costs would be associated with complying with new regulations. However, we have analysed the expected cost increase associated with the cost of delivering the Future Homes Standard from 2025. We have factored the

increased cost per plot into our land appraisals for homes to be delivered after 2025. This is expected to offset the additional build costs relating to the Future Homes Standard.

There could be further regulatory change or an extension of the practice of local authorities imposing higher carbon standards through planning policy. Further detail on the exact specifications for any future regulations beyond the Future Homes Standard are required to accurately predict the financial impact, but assuming a cost increase range of £2,000 to £6,000 per home, this would equate to between £5.5m and £16.4m based on FY22 home completion numbers. This is based on the likely additional technology required. This cost may be offset by consumer preferences shifting towards lower carbon homes, which could increase demand and sales price.

There may also be future regulation on embodied carbon. This could mean greater resource required to calculate and report on embodied carbon across all projects while ensuring the design of the home and the materials used meet any future targets that may be set. We have not included a cost for this but we are working with the industry (Future Homes Hub) to develop methodologies for the calculation and reporting of embodied carbon.

Please note this risk should not be considered a forecast of future costs. The impact does not account for mitigation measures and as such is an inherent risk.

Cost of response to risk

640,000

Description of response and explanation of cost calculation

Potential regulatory changes and consultations are reviewed closely by the Group Operations team and updates are provided regularly to the Executive Leadership Team. Detailed analysis of the potential cost increase has been carried out and these costs are factored into land valuations. All homes are designed to meet the updated Part L of the Building Regulations and we continue to develop solutions to achieve the forthcoming Future Homes Standard from 2025.

We regularly communicate with stakeholders such as the Home Builders' Federation (HBF), Future Homes Hub and the Department for Levelling up, Housing and Communities (DLUHC) to understand and influence future changes in regulation. We also partner with Planning Authorities and skilled consultants to achieve consensual cost-effective outcomes.

Keeping abreast of new regulations is part of our normal business practice. We are also working to drive innovation across the business through research and development of new technologies, building design and the use of OSM. The cost of £640,000 is a conservative estimate of consultant fees and time spent on R&D to support decarbonisation of our operations in FY22.

Comment

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Downstream

Risk type & Primary climate-related risk driver

Chronic physical

Changing temperature (air, freshwater, marine water)

Primary potential financial impact

Increased direct costs

Company-specific description

The Independent Assessment of UK Climate Risk notes that by 2050 the UK's average summer could be around 1.5C warmer and the record summer of 2018 could be the norm. In 2022, the hottest temperature ever recorded in the UK was reached, breaching 40C for the first time.

Increasing temperatures raise the likelihood of overheating in homes, particularly under a 'Hot House Earth' scenario, which represents a warming of over 4C under the RCP8.5. If homes are subject to overheating, this could cause discomfort and potentially poor air quality for our customers. The business conducts overheating assessments across all developments and implements the necessary requirements to reduce the risk. The new Part O of the Building Regulations has also been introduced to minimise the risk of overheating in new homes. Rising temperatures, particularly higher summer temperatures, may mean there are additional costs associated with mitigation measures.

Increasing temperatures can also impact our supply chain. For example, increasing temperatures may impact productivity within our supply chain and could also lead to raw material supply issues.

Time horizon

Long-term

Likelihood

About as likely as not

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

5,194,600

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Temperatures are rising and there is an increasing likelihood of heatwaves in the summer. Increasing temperatures raise the risk of overheating in homes and may require additional measures to mitigate. There are several low cost measures to reduce risk, such as the glazing size, orientation of the home, and shading options such as shutters.

It is challenging to quantify the potential impact and exact remedial requirements, but a Government publication on research into overheating of new homes provided costs on various mitigation packages. The mitigation measures in the report range from £660 to £17,480 for a typical semi-detached home. One of the suggested opportunities to reduce overheating risk was the installation of glazing that reduces solar glare. The approximate additional cost for this glazing is £1,900 per plot. This cost is based on supplier information for our benchmark plot type. Multiplied by the number of homes completed in FY22, this would equate to an additional capital cost of £5.2m.

We continue to monitor this risk and any additional mitigation measures will be picked up at the design stage to maximise the potential to implement cost-effective solutions.

Cost of response to risk

0

Description of response and explanation of cost calculation

Overheating can be designed out at the concept design stage for negligible extra cost. Overheating risk assessments are then conducted across all developments during the detailed design stage. Where homes are identified at that stage as having a medium or high risk of overheating, they will undergo dynamic overheating modelling. This second analysis is not a requirement of building regulations, but it provides us with a hierarchy of solutions to mitigate the overheating risk. To further combat overheating risk across our future portfolio of homes, our new house type range was modelled for overheating during the design stage.

Designing out and reducing the risk of overheating in our homes is part of our normal course of business.

Comment

Identifier

Risk 3

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 indirect (operating) costs

Company-specific description

We use energy and fuel as part of our construction work on site, including to power the site compounds and for plant and machinery around site. Global fuel price fluctuations alongside carbon pricing mechanisms will have an impact on our energy and fuel costs, including electricity, gas and diesel. Our supply chain is also reliant on fossil fuels and will be susceptible to changing carbon pricing mechanisms.

In particular, under a 1.5°C or well below 2°C climate scenario (either RCP1.9 or RCP2.6) we are likely to see increases in carbon pricing, for example through taxation or emissions trading schemes. Carbon taxes or other pricing mechanisms provide a policy tool to limit carbon emissions. As governments intervene to limit climate change, increasing carbon prices could impact the cost of our direct fuel and energy and those associated with our supply chain, which could increase our cost of sales.

The UK Emissions Trading Scheme (ETS) currently covers electricity generation, heavy industry and domestic aviation. This will include some of our suppliers, who may also be included in schemes outside of the UK, such as the EU ETS. To align with net zero by 2050, the number of emission allowances will be reduced over time, which is likely to increase the cost of carbon further. The increased carbon cost could result in higher production costs for our supply chain, which is likely to impact the cost of materials. Approximately 190,000 tCO2e of our scope 3 emissions are associated with our supply chain, so any increases in carbon pricing could have a substantive impact.

There is significant uncertainty with regard to forecasting the potential increased costs to the business, but we are engaging with carbon intensive suppliers to gain a better understanding of how they will be impacted by carbon pricing mechanisms and what they are doing to reduce their GHG emissions.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

31,584

Potential financial impact figure – maximum (currency)

1,369,267

Explanation of financial impact figure

There is significant uncertainty with regards to forecasting the potential increased costs to the business. We reviewed potential carbon prices using the REMIND-MAgPIE 3.0-4.4 model out to 2030. The lowest carbon price is associated with the 'current policies' scenario and the highest price is associated with the 'divergent net zero' scenario. Based on our scope 1 and 2 GHG emissions in FY22, the potential costs ranged from £31,584 to £1,369,267.

The majority of our carbon footprint falls into scope 3, of which our upstream emissions from our supply chain in FY22 accounted for around 190,000 tCO2e. Increasing carbon prices within our supply chain would therefore likely have a more substantive impact than our scope 1 and 2 GHG emissions. There is considerable uncertainty as to what future carbon prices may be and which materials they are likely to impact. We continue to pay close attention to this and are engaging with carbon intensive suppliers to discuss how they may be impacted by carbon pricing mechanisms and what they are doing to reduce their GHG emissions.

Cost of response to risk

640,000

Description of response and explanation of cost calculation

We conducted a life cycle analysis (LCA) as part of our scope 3 emissions calculation in 2021 and are completing additional LCAs in 2023. This analysis allows us to understand the key areas of emissions within our supply chain, including those that may be most susceptible to carbon pricing mechanisms. We engage with our suppliers on a regular basis to understand potential changes to material prices, which includes potential impacts from climate-related risks and opportunities such as carbon pricing mechanisms. Supplier engagement and reviewing and implementing resource efficiency opportunities is a normal course of business.

With regards to reducing our direct emissions, key actions include the optimisation of our generators and connecting to the mains electricity supply as early as possible. We are currently working with our supply chain to improve our management information, which is allowing us to better specify the generators we use. Our site cabins also have energy-saving measures, including light sensors, timed heaters and push taps. We are engaging with our supply chain to research new low/zero carbon technology, such as electric telehandlers and hybrid and hydrogen generators. While this technology continues to develop, we are taking immediate carbon reduction action by piloting the

use of biodiesel (HVO - hydrotreated vegetable oil). In FY22, 49% of diesel used on site was biodiesel.

Energy, fuel and water dashboards are available on an online portal. The dashboards highlight anomalously high consumption and their associated cost. We run divisional initiatives (training, site visits) that help improve resource efficiency and awareness of the importance of improving resource use.

Our new house type range helps to drive building efficiencies and this together with using OSM components could lead to less energy consumed on-site through the reduced need for equipment (e.g. diesel generators), and reduced transport movements to and around the site as more materials are constructed offsite.

The cost of £640,000 is a conservative estimate of consultant fees and time spent on R&D to support decarbonisation of our operations in FY22.

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.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Shift in consumer preferences

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Research highlights a growing shift in consumer preferences towards more sustainable and low carbon products. As stakeholder awareness of climate-related issues

increases, shifting consumer preferences could increase demand for sustainable products from responsible businesses. Customers may also increasingly look towards new build homes and developments that are energy and carbon efficient (allowing them to live more sustainable lifestyles) and resilient to a changing climate - potentially increasing comfort in new homes versus the second-hand market in which properties may need adapting.

Recent research by Savills observed that energy efficiency is rising up the agenda for prospective home buyers. Research by Halifax has noted that homebuyers pay a premium for energy efficient homes. The research highlighted an uplift in average house price of moving from an EPC rating of C to B of 2% and a further increase of 1.8% when moving from an EPC B to an A. Another report by Shakespeare Martineau (March 2022) noted that consumers are willing to pay more for better energy efficiency and renewable energy sources in their homes. Initiatives such as the Barclays Green Home Mortgage and NatWest Green Mortgage, combined with the increased cost of energy, could also increase demand for energy and carbon efficient, sustainable homes.

Crest Nicholson's median EPC rating is a B, whereas according to the Energy efficiency of housing in England and Wales: 2022 report from the Office for National Statistics, the median EPC rating for the existing housing stock in England was a D. There is an opportunity to benefit from increased demand for our homes where they meet or exceed shifting consumer preferences.

Time horizon

Medium-term

Likelihood

About as likely as not

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

3,013,692

Potential financial impact figure – maximum (currency)

15,304,512

Explanation of financial impact figure

As stakeholder awareness of climate-related issues increases, shifting consumer preferences could increase demand for lower carbon, sustainable products from responsible businesses. Customers may also increasingly look towards new build homes and developments that are carbon efficient (allowing them to live more

sustainable lifestyles) and resilient to a changing climate - potentially increasing comfort in new homes versus the second-hand market in which properties may need adapting.

Recent research by Halifax has noted that homebuyers pay a green premium for energy efficient homes. The research highlighted an uplift in average house price of moving from an EPC rating of C to B of 2% and a further increase of 1.8% when moving from an EPC B to an A. Increased demand for homes due to aligning with changing consumer expectations could therefore lead to increased revenue. The potential financial impact is based on our average selling price multiplied by the % uplift and the number of homes with the potential to improve the EPC to a B rating (minimum financial impact) and an A rating (maximum financial impact). Figures based on the EPC rating of homes built in FY22.

Cost to realize opportunity

640,000

Strategy to realize opportunity and explanation of cost calculation

Crest Nicholson is committed to mitigating its climate impact and has established science-based targets, validated by the Science Based Targets initiative in FY22. The Group incorporates measures within homes and across developments to increase resilience to a changing climate and installs infrastructure such as cycle lanes, walkways, cycle storage and areas of recreational green space designed to help residents live a sustainable lifestyle and have a positive impact on health and wellbeing.

Our homes are designed to meet the interim update to Building Regulations Part L, which will reduce GHG emissions associated with the use phase of the home by over 30% compared to previous regulations. All standard house types are designed to be a minimum EPC rating B, which supports a reduction in energy and GHG emissions. The Future Homes Standard, which is due to come into force from 2025 will see further reductions in the carbon emissions associated with new homes. Research and development into cost-effective low carbon solutions is taking place.

Sustainability is also integrated into our marketing strategy, and we communicate the benefits of new build homes and developments to potential customers on our website, in site literature and via direct communications.

The cost of £640,000 is a conservative estimate of consultant fees and time spent on R&D to support decarbonisation of our operations in FY22.

Comment

C3. Business Strategy

C3.1

(C3.1) Does your organization's strategy include a climate transition plan that aligns with a 1.5°C world?

Row 1

Climate transition plan

Yes, we have a climate transition plan which aligns with a 1.5°C world

Publicly available climate transition plan

No

Mechanism by which feedback is collected from shareholders on your climate transition plan

We have a different feedback mechanism in place

Description of feedback mechanism

We regularly engage with our investors on ESG issues, which include our climate transition plan. During 2022, this involved discussion at investor roadshows and ad-hoc meetings with individual investors and lenders to discuss our science-based targets and the action we are taking to decarbonise the business. We also engaged with our lending banks to develop and agree on targets for our Sustainability Linked Revolving Credit Facility. We also provide information on our targets and initiatives to reduce GHG emissions in our Annual Integrated Report and corporate website.

Frequency of feedback collection

More frequently than annually

Attach any relevant documents which detail your climate transition plan (optional)

C3.2

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

	Use of climate-related scenario analysis to inform strategy
Row 1	Yes, qualitative, but we plan to add quantitative in the next two years

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Transition scenarios Customized publicly available transition scenario	Company-wide	1.5ºC	Our initial qualitative analysis was conducted with climate specialists Verco Advisory Services Ltd. Three climate scenarios were selected in which both physical and transition risks and opportunities were assessed: Scenario 1: Orderly Transition. Based on a combination of RCP 1.9 and the Shared Socioeconomic pathway (SSP) 1. The scenario assumes there is a well-coordinated and effective global response to climate change. Rapid progress in the 2020s limits warming to around 1.5°C by 2050. The worst physical impacts of climate change are avoided but there are milder winters and hotter, drier summers. Higher temperatures increase the likelihood of overheating in buildings and storm events increase in intensity. The physical impact is low and the transition impact is low/moderate. Scenario 2: Disorderly Transition. Based on a combination of RCP 2.6 and the SSPs 1 and 2. The scenario assumes that the global response to climate change is disorderly and that annual emissions do not decrease until 2030. The pace of regulatory change is more manageable in the short term but it results in faster, stronger changes to limit warming to below 2°C. Supply constraints on technologies to reduce and remove carbon lead to significant increases in carbon prices. The physical impact is low/moderate and the transition impact is high. Scenario 3: Hot House Earth. Based on a combination of RCP 8.5 and SSP 5. The scenario assumes that the global response to climate change is poorly coordinated and ineffective, resulting in a warming of over 4°C by 2100. Physical risks are high. More frequent droughts and heatwaves in the UK increase water supply stress and lead to a significant risk of overheating. Flood risk increases and storm intensity and frequency become routinely disruptive. Transition risks materialise later in

			response to the physical impacts. The physical impact is high and the transition impact is low.
Transition scenarios Customized publicly available transition scenario	Company-wide	1.6ºC – 2ºC	Our initial qualitative analysis was conducted with climate specialists Verco Advisory Services Ltd. Three climate scenarios were selected in which both physical and transition risks and opportunities were assessed: Scenario 1: Orderly Transition. Based on a combination of RCP 1.9 and the Shared Socioeconomic pathway (SSP) 1. The scenario assumes there is a well-coordinated and effective global response to climate change. Rapid progress in the 2020s limits warming to around 1.5°C by 2050. The worst physical impacts of climate change are avoided but there are milder winters and hotter, drier summers. Higher temperatures increase the likelihood of overheating in buildings and storm events increase in intensity. The physical impact is low and the transition impact is low/moderate. Scenario 2: Disorderly Transition. Based on a combination of RCP 2.6 and the SSPs 1 and 2. The scenario assumes that the global response to climate change is disorderly and that annual emissions do not decrease until 2030. The pace of regulatory change is more manageable in the short term but it results in faster, stronger changes to limit warming to below 2°C. Supply constraints on technologies to reduce and remove carbon lead to significant increases in carbon prices. The physical impact is low/moderate and the transition impact is high. Scenario 3: Hot House Earth. Based on a combination of RCP 8.5 and SSP 5. The scenario assumes that the global response to climate change is poorly coordinated and ineffective, resulting in a warming of over 4°C by 2100. Physical risks are high. More frequent droughts and heatwaves in the UK increase water supply stress and lead to a significant risk of overheating. Flood risk increases and storm intensity and frequency become routinely disruptive. Transition risks materialise later in

			response to the physical impacts. The physical impact is high and the transition impact is low.
Physical climate scenarios Customized publicly available physical scenario	Company-wide	4.1ºC and above	Our initial qualitative analysis was conducted with climate specialists Verco Advisory Services Ltd. Three climate scenarios were selected in which both physical and transition risks and opportunities were assessed: Scenario 1: Orderly Transition. Based on a combination of RCP 1.9 and the Shared Socioeconomic pathway (SSP) 1. The scenario assumes there is a well-coordinated and effective global response to climate change. Rapid progress in the 2020s limits warming to around 1.5°C by 2050. The worst physical impacts of climate change are avoided but there are milder winters and hotter, drier summers. Higher temperatures increase the likelihood of overheating in buildings and storm events increase in intensity. The physical impact is low and the transition impact is low/moderate. Scenario 2: Disorderly Transition. Based on a combination of RCP 2.6 and the SSPs 1 and 2. The scenario assumes that the global response to climate change is disorderly and that annual emissions do not decrease until 2030. The pace of regulatory change is more manageable in the short term but it results in faster, stronger changes to limit warming to below 2°C. Supply constraints on technologies to reduce and remove carbon lead to significant increases in carbon prices. The physical impact is low/moderate and the transition impact is high. Scenario 3: Hot House Earth. Based on a combination of RCP 8.5 and SSP 5. The scenario assumes that the global response to climate change is poorly coordinated and ineffective, resulting in a warming of over 4°C by 2100. Physical risks are high. More frequent droughts and heatwaves in the UK increase water supply stress and lead to a significant risk of overheating. Flood risk increases and storm intensity and frequency become routinely disruptive. Transition risks materialise later in

			response to the physical impacts. The physical impact is high and the transition impact is low.

C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

As part of our climate scenario analysis, the Group wanted to assess the following:

1. What are the most substantive transition risks and opportunities and how may the impact differ under different climate scenarios?
2. What are the potential physical risks and how do these risks, and their subsequent impacts, differ under different climate scenarios?
3. How resilient is the business to the climate-related risks and opportunities identified?

Results of the climate-related scenario analysis with respect to the focal questions

1. Transition risks

Based on the analysis, the Group believes that transition risks represent the largest threat in the medium term, most notably the potential for an increased price of carbon. Carbon taxes are likely to increase under scenarios 1 and 2 and we are engaging with our suppliers to gain further insight in this area. The Group is exposed to some climate-related transition risks in the short term, most notably emerging regulation, however the impact is not considered material based on the mitigations the Group has in place. The anticipated costs relating to the delivery of the Future Homes Standard are included in new project acquisition appraisals.

2. Physical risks

The analysis illustrated that physical risks associated with climate change will increase over time, particularly under scenario 3, the high carbon Hot House Earth scenario. While physical risks such as flooding, overheating and disruption to site and supply chain activities are expected to increase over time, they are more likely to have a greater impact in the longer term. There is also significant uncertainty as to the extent and impact these risks will have on the business and we will continue to assess the risk.

3. Business resilience

The Group considered the potential for the financial statements to be impacted by climate change. The assessment indicated that there is no material financial risk to our business in the short term. Our strategy, which includes research and development of lower carbon homes, remains relevant considering changing climate risks. The Group will continue to evolve the assessment and quantification of climate-related risks and

opportunities over time, including undertaking more quantitative modelling of risks in 2023.

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	Climate-related risks and opportunities influence the development of our products and services. An example of a transitional risk influencing our strategy in this area is through emerging regulations around decarbonising the use phase of homes, for example the Future Homes Standard (FHS). This will be delivered through updated building regulations and will see a requirement for new homes to deliver at least a 75% reduction in carbon emissions against current regulations. This is a clear example of a transitional risk influencing our product, the homes we build. To respond to this risk, our Group Operations team engages both internally and externally with our supply chain, industry peers (we are participants in the Future Homes Hub), our industry trade body and Government to ensure we are well prepared for future requirements. The FHS will impact the design and fabric of our homes, with greater levels of insulation, as well as the introduction of fossil fuel-free heating systems such as air source heat pumps. Examples of physical risks influencing our product include warmer summers increasing the risk of overheating and greater frequency and severity of extreme weather increasing the risk of flooding. The potential impact of overheating is significant, particularly under higher-temperature climate scenarios. If not alleviated appropriately, it can negatively affect comfort levels and air quality in the home, as well as customers' health. In response to this risk, all homes undergo an initial overheating risk assessment during the design stage. Homes that are at medium or high risk of overheating are then subject to dynamic overheating modelling. To mitigate against the risk of flooding, developments incorporate robust drainage strategies and include solutions such as swales and attenuation ponds.

		There are also opportunities that arise from climate change, including driving the business to innovate and become more operationally efficient. For example, new energy-efficient homes may become more desirable as consumer preferences shift towards more sustainable options. There are already mortgage lenders that offer 'green mortgage' products, which may further increase demand for energy-efficient homes. Timescale: Medium term for transition risk. Long term for physical risk.
Supply chain and/or value chain	Yes	The business strategy relating to our supply chain is influenced by both transition and physical risks. We have set a science-based target to reduce our scope 3 GHG emissions intensity by 55% by 2030 from a 2019 base year and to reach net zero across our value chain by 2045. Scope 3 GHG emissions from our supply chain are approximately a third of our value chain emissions. Supply chain engagement will be critical in order to achieve our targets. With the significant GHG emissions in our supply chain, changing carbon pricing mechanisms is a clear risk that could result in increased costs of materials. To reduce this risk our Group Operations team regularly discusses what our key suppliers are doing to both reduce emissions and adapt to a changing climate. We continue to engage with our supply chain to improve the accuracy of emissions data and to research materials that are lower in embodied carbon. The supply chain has an important role to play in decarbonising our business and the wider economy. Physical risks can also cause potential disruption within our supply chain (e.g. supplier manufacturing plants located in areas subject to high physical risk from climate change), which could impact the availability, cost and delivery of materials to our sites. Recent examples include the threat to timber supply from forest fires and the greater likelihood of disease and pests causing harm to forests. Physical risks can result in reduced supplies, impacting prices, or delays in receiving supplies, leading to project delays. This risk is considered in our climate-related risk assessment. Timescales: Transition risks are likely to be within the medium term. We may see a greater impact from physical

		climate-related risks within the supply chain in the long-term.
Investment in R&D	Yes	Climate-related risks and opportunities influence our strategy around research and development. For example, a significant amount of R&D is going into our preparations for the Future Homes Standard and delivering zero carbon-ready homes, which will require changes to the building fabric and new technology. The Group Operations team has established a series of inter-departmental work strands that relate to the research of new technology and trials across our sites to test performance, buildability and user experience. We are also engaging with specialist consultants to model different fabric and technology options to understand their impact on energy consumption and both operational and embodied GHG emissions. We have trialled the use of HVO biodiesel to power our generators and telehandlers on construction sites, gradually increasing the number of sites using this fuel. HVO is significantly lower in carbon emissions than white or red diesel. We also engage with our plant hire and manufacturing companies to review options for electric and hydrogen powered plant. The timescale is short to medium term for our investment in R&D.
Operations	Yes	We have set science-based targets that are validated by the Science Based Targets initiative (SBTi). The interim targets require an absolute reduction in scope 1 and 2 GHG emissions of 60% and scope 3 intensity reduction of 55% by 2030 from a 2019 base year. These targets are designed to help mitigate our impact on climate change and reduce risks relating to carbon pricing mechanisms and fossil fuel price volatility. We are also targeting net zero across our value chain by 2045. Improving the efficiency of our site operations is a climate-related opportunity, which will contribute towards achieving our targets and reducing costs. We continue to engage with our plant hire suppliers to optimise the use of our generators while also exploring alternative energy sources. We have increased the proportion of our sites using HVO biodiesel, which has an immediate impact on reducing emissions and improving local air quality.

		We also commit to procuring 100% renewable electricity by 2025. Renewable energy continued to be purchased for our Head office and South West divisional office and we are increasing the number of site supplies on REGO-backed renewable tariffs. The total proportion of renewable electricity procured in 2022 was 70%, up from 62% in 2021, helping to reduce our market-based scope 2 emissions. Changes in the frequency and severity of weather events can also impact our ability to build homes. We have robust safety, health and environmental procedures in place to minimise the risks of hazards caused by extreme weather events and high temperatures. During the past year we have issued safety alerts on high wind and high-temperature events to help the business prepare for the risks they bring. Timescale: transition risk and opportunity relating to resource efficiency is short to medium term. The physical risks impacting operations tend towards the long term.

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	Revenues Direct costs Indirect costs Capital expenditures Assets	Indirect costs: Increasing operating costs are noted in our climate-related risks and opportunities assessment and the magnitude of this impact is low for our scope 1 and 2 GHG emissions. This includes: - Increasing cost of fuel and energy due to carbon pricing mechanisms such as taxation and fossil fuel price volatility - Potential increased use of consultants for modelling solutions for zero carbon ready homes and overheating modelling and requirements to put extra measures in place, to reduce overheating and flood risk. - R&D costs relating to compliance with new regulations such as the Future Homes Standard An example has been the close tracking of the increase in diesel cost. We have improved our management reporting to increase awareness around diesel consumption and provide focus on areas where it can be reduced. Alongside this, we continue researching alternative lower-carbon technology that can reduce reliance on diesel.

		Direct costs: Increasing direct costs of materials is considered in our climate-related risks and opportunities assessment and is generally classified as medium magnitude. This includes: - Potential increased cost of materials and technology to deliver lower carbon homes. - A greater frequency of severe weather could result in an increase in damage to materials and infrastructure on our sites. The costs are reviewed regularly by the project teams within each division of the business. We also forecast future cost increases based on emerging policy and other available data to ensure the business is prepared and implements action to mitigate the increases. A good example is the analysis conducted on the likely increase in build costs to deliver zero carbon ready homes in line with the Future Homes Standard. The potential cost is now factored into our land appraisals. The time horizon relating to the transition risks is short to medium-term. Physical risks are long-term. Revenues: Emerging regulations will change the technology used in our homes in the short to medium term. If there are complications with the rollout of new technology, there is a risk of customer dissatisfaction that could result in reduced demand for the home and impact revenues. Conversely, there is growing evidence that there will be greater demand for energy-efficient low carbon homes. Building energy efficient low carbon homes that are well adapted for a changing climate could lead to increased revenue. For example, green mortgages are likely to become increasingly available. These can allow customers to obtain better mortgage rates for energy-efficient homes. The time horizon is short to long term. Capital expenditures and assets: Changing precipitation patterns are leading to an increased risk of flooding and subsequent changes to the flood risk of land. Flood risk assessments are conducted prior to purchasing sites and the cost of flood mitigation and adaptation measures are factored into land values. Flood risk mitigation and adaptation measures within the business are robust and the magnitude of the impact is currently low. Emerging regulations including the Future Homes Standard will also increase build costs. The forecast additional costs are factored into land valuations where homes will be delivered beyond 2025 when the regulations come into force.

		Our financial planning occurs over a three-year period and therefore sits within the short-term timescale.

C3.5

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition
Row 1	No, but we plan to in the next two years

C4. Targets and performance

C4.1

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

Absolute target

Intensity target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Is this a science-based target?

Yes, and this target has been approved by the Science Based Targets initiative

Target ambition

1.5°C aligned

Year target was set

2021

Target coverage

Company-wide

Scope(s)

Scope 1

Scope 2

Scope 2 accounting method

Location-based

Scope 3 category(ies)

Base year

2019

Base year Scope 1 emissions covered by target (metric tons CO2e)

6,720.6

Base year Scope 2 emissions covered by target (metric tons CO2e)

1,737.2

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)

Base year total Scope 3 emissions covered by target (metric tons CO2e)

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

8,457.8

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2030

Targeted reduction from base year (%)

60

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

3,383.12

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

3,070.2

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

1,378.8

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

4,449

Does this target cover any land-related emissions?

Yes, it covers land-related CO2 emissions/removals associated with bioenergy and non-land related emissions (e.g. non-FLAG SBT with bioenergy)

% of target achieved relative to base year [auto-calculated]

78.9961140407

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

The target covers 100% of scope 1 and 2 GHG emissions. The breakdown of our scope 1 and 3 emissions are as follows:

Scope 1: Crest Nicholson's scope 1 emissions arise from the combustion of natural gas, biogas, gas oil, biodiesel HVO, LPG, the use of refrigerants and group operated fleet. These fuels are consumed in the Head Office, divisional offices, construction sites and site offices for the purposes of space heating, operation of construction mobile plant, vehicles, and on-site generators.

Scope 2: Crest Nicholson's scope 2 emissions arise from the consumption of grid electricity across its construction sites, Head Office, divisional offices and site offices for the purposes of running operations.

Plan for achieving target, and progress made to the end of the reporting year

Scope 1:
The main contributor to Scope 1 emissions is diesel consumption onsite for generators and mobile plant. A key opportunity to reduce diesel use on site is to reduce reliance on generators. We can achieve this by gaining a grid connection as early as possible when on site and this is communicated regularly across the business. We also use telehandlers across our sites and low or zero carbon models are not widely available. An electric telehandler was trialed in 2022 but these versions are only available in smaller sizes than we typically use. A potential solution for decarbonising the use of our telehandlers will be the utilisation of hydrogen fuel, however, it could be later this decade before hydrogen powered telehandlers are more widely available. In the interim we are increasing the proportion of our fuel to HVO, a low carbon alternative to diesel. During the reporting year, we increased the use of HVO, which accounted for approximately 49% of our total site diesel consumption (up from 17% in 2021).

There will be a shift from natural gas to electricity as the Future Homes Standard comes into force from 2025. Natural gas is consumed within the new homes prior to sale, and as net-zero ready heating alternatives (likely to be air source heat pumps) are introduced as part of the upcoming Future Homes Standard building regulations, natural gas will be phased out.

We also drive efforts to improve energy efficiency onsite and in offices, which will be aided by opportunities identified by ESOS (Energy Savings Opportunity Scheme) phase III. Lower carbon vehicles in the group-operated fleet will also support our scope 1 target. During the reporting year, 40% of our group-operated fleet was either electric or hybrid, up from 27% in 2021.

Scope 2:
Scope 2 emissions are calculated on using the location-based approach so will decarbonise in line with the UK electricity grid. The UK government have committed to a fully
decarbonised electricity grid by 2035. While not directly impacting our scope 2 target, we are increasing the proportion of electricity procured from renewable sources (targeting 100% RE by 2025).. During the reporting year, 70% of our electricity was procured from renewable sources, up from 62% in 2021. Energy efficiency measures will also contribute to meeting this target and during 2022 we continued to report consumption data to drive action across the business.

List the emissions reduction initiatives which contributed most to achieving this 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

Is this a science-based target?

Yes, and this target has been approved by the Science Based Targets initiative

Target ambition

Well-below 2°C aligned

Year target was set

2021

Target coverage

Company-wide

Scope(s)

Scope 3

Scope 2 accounting method

Scope 3 category(ies)

Category 1: Purchased goods and services
Category 2: Capital goods
Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)
Category 4: Upstream transportation and distribution
Category 5: Waste generated in operations
Category 6: Business travel
Category 7: Employee commuting
Category 11: Use of sold products
Category 12: End-of-life treatment of sold products

Intensity metric

Other, please specify

per sq. m completed floor area

Base year

2019

Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 3, Category 1: Purchased goods and services (metric tons CO2e per unit of activity)

0.462

Intensity figure in base year for Scope 3, Category 2: Capital goods (metric tons CO2e per unit of activity)

0.379

Intensity figure in base year for Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e per unit of activity)

0.008

Intensity figure in base year for Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e per unit of activity)

0.023

Intensity figure in base year for Scope 3, Category 5: Waste generated in operations (metric tons CO2e per unit of activity)

0

Intensity figure in base year for Scope 3, Category 6: Business travel (metric tons CO2e per unit of activity)

0.003

Intensity figure in base year for Scope 3, Category 7: Employee commuting (metric tons CO2e per unit of activity)

0.003

Intensity figure in base year for Scope 3, Category 8: Upstream leased assets (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 3, Category 10: Processing of sold products (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 3, Category 11: Use of sold products (metric tons CO2e per unit of activity)

1.675

Intensity figure in base year for Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e per unit of activity)

0.015

Intensity figure in base year for Scope 3, Category 13: Downstream leased assets (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 3, Category 14: Franchises (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 3, Category 15: Investments (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 3, Other (upstream) (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 3, Other (downstream) (metric tons CO2e per unit of activity)

Intensity figure in base year for total Scope 3 (metric tons CO2e per unit of activity)

2.569

Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)

2.569

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

% of total base year emissions in Scope 3, Category 1: Purchased goods and services covered by this Scope 3, Category 1: Purchased goods and services intensity figure

100

% of total base year emissions in Scope 3, Category 2: Capital goods covered by this Scope 3, Category 2: Capital goods intensity figure

100

% of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) covered by this Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) intensity figure

100

% of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution covered by this Scope 3, Category 4: Upstream transportation and distribution intensity figure

100

% of total base year emissions in Scope 3, Category 5: Waste generated in operations covered by this Scope 3, Category 5: Waste generated in operations intensity figure

100

% of total base year emissions in Scope 3, Category 6: Business travel covered by this Scope 3, Category 6: Business travel intensity figure

100

% of total base year emissions in Scope 3, Category 7: Employee commuting covered by this Scope 3, Category 7: Employee commuting intensity figure

100

% of total base year emissions in Scope 3, Category 8: Upstream leased assets covered by this Scope 3, Category 8: Upstream leased assets intensity figure

% of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution covered by this Scope 3, Category 9: Downstream transportation and distribution intensity figure

% of total base year emissions in Scope 3, Category 10: Processing of sold products covered by this Scope 3, Category 10: Processing of sold products intensity figure

% of total base year emissions in Scope 3, Category 11: Use of sold products covered by this Scope 3, Category 11: Use of sold products intensity figure

100

% of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products covered by this Scope 3, Category 12: End-of-life treatment of sold products intensity figure

100

% of total base year emissions in Scope 3, Category 13: Downstream leased assets covered by this Scope 3, Category 13: Downstream leased assets intensity figure

% of total base year emissions in Scope 3, Category 14: Franchises covered by this Scope 3, Category 14: Franchises intensity figure

% of total base year emissions in Scope 3, Category 15: Investments covered by this Scope 3, Category 15: Investments intensity figure

% of total base year emissions in Scope 3, Other (upstream) covered by this Scope 3, Other (upstream) intensity figure

% of total base year emissions in Scope 3, Other (downstream) covered by this Scope 3, Other (downstream) intensity figure

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this total Scope 3 intensity figure

100

% of total base year emissions in all selected Scopes covered by this intensity figure

100

Target year

2030

Targeted reduction from base year (%)

55

Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]

1.15605

% change anticipated in absolute Scope 1+2 emissions

0

% change anticipated in absolute Scope 3 emissions

23

Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 1: Purchased goods and services (metric tons CO2e per unit of activity)

0.356

Intensity figure in reporting year for Scope 3, Category 2: Capital goods (metric tons CO2e per unit of activity)

0.403

Intensity figure in reporting year for Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e per unit of activity)

0.006

Intensity figure in reporting year for Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e per unit of activity)

0.028

Intensity figure in reporting year for Scope 3, Category 5: Waste generated in operations (metric tons CO2e per unit of activity)

0.001

Intensity figure in reporting year for Scope 3, Category 6: Business travel (metric tons CO2e per unit of activity)

0.003

Intensity figure in reporting year for Scope 3, Category 7: Employee commuting (metric tons CO2e per unit of activity)

0.004

Intensity figure in reporting year for Scope 3, Category 8: Upstream leased assets (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 10: Processing of sold products (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 11: Use of sold products (metric tons CO2e per unit of activity)

1.606

Intensity figure in reporting year for Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e per unit of activity)

0.015

Intensity figure in reporting year for Scope 3, Category 13: Downstream leased assets (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 14: Franchises (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 15: Investments (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3, Other (upstream) (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3, Other (downstream) (metric tons CO2e per unit of activity)

Intensity figure in reporting year for total Scope 3 (metric tons CO2e per unit of activity)

2.422

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

2.422

Does this target cover any land-related emissions?

Yes, it covers land-related CO2 emissions/removals associated with bioenergy and non-land related emissions (e.g. non-FLAG SBT with bioenergy)

% of target achieved relative to base year [auto-calculated]

10.4037651722

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

The target covers 100% of scope 3 emission, which include: 1. Purchased goods and services, 2. Capital goods, 3. Fuel and energy related activities (not included in scope 1 or scope 2), 4. Upstream transportation and distribution, 5. Waste generated in operations, 6. Business travel, 7. Employee commuting, 11. Use of sold products, and 12. End-of-life treatment of sold products.

Plan for achieving target, and progress made to the end of the reporting year

Use of sold products is the largest contributor to Crest Nicholson's scope 3 emissions, being the emissions arising from the energy consumed by the occupants of the house over a 60-year calculation period. Energy consumption is split between regulated and unregulated consumption. Upcoming changes to UK Building Regulations (Part L uplift, and the Future Homes Standard) are expected to reduce the emissions from regulated energy consumption by over 75%% in new homes from 2025. Unregulated energy consumption arises from plug in appliances in the home during the 60-year calculation period so these will reduce in line with the UK electricity grid. The business is contributing to reducing unregulated energy consumption through effective customer communication.

Lower carbon alternatives for particularly carbon-intensive materials such as concrete blocks, bricks, roof tiles, concrete foundations are discussed and investigated with our suppliers. We are engaging with suppliers and the wider industry regarding the provision of Environmental Product Declarations (EPDs) to improve accuracy of embodied carbon calculations, and to gain a better understanding of supplier carbon commitments and targets. The Group is also an active participant in the Future Homes Hub (FHH). The FHH brings the industry together to explore opportunities to achieve positive environmental and social outcomes, including reducing embodied and whole life carbon across the housebuilding sector. Further opportunities to reduce scope 3 emissions include increasing the proportion of timber frame homes to reduce embodied carbon and utilising offsite manufactured components that generate less wastage onsite and encouraging contractors on site to use lower carbon alternative fuels, likely to be HVO in the short term.

List the emissions reduction initiatives which contributed most to achieving this target

C4.2

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

Target(s) to increase low-carbon energy consumption or production
Net-zero target(s)
Other climate-related target(s)

C4.2a

(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

Target reference number

Low 1

Year target was set

2020

Target coverage

Company-wide

Target type: energy carrier

Electricity

Target type: activity

Consumption

Target type: energy source

Renewable energy source(s) only

Base year

2019

Consumption or production of selected energy carrier in base year (MWh)

2,139.755

% share of low-carbon or renewable energy in base year

32

Target year

2025

% share of low-carbon or renewable energy in target year

100

% share of low-carbon or renewable energy in reporting year

70

% of target achieved relative to base year [auto-calculated]

55.8823529412

Target status in reporting year

Underway

Is this target part of an emissions target?

Our carbon emissions target is location-based, so this target does not count towards our combined scope 1 and 2 emissions target.

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

Please explain target coverage and identify any exclusions

The business is targeting procurement of 100% renewable electricity by 2025 and covers all the electricity we directly procure. The % renewable electricity in the reporting year was 70%.

Plan for achieving target, and progress made to the end of the reporting year

We continue to engage with our utilities management company to switch site contracts to renewable and are engaging with management companies of managed offices to request a switch to
renewable energy tariffs.

List the actions which contributed most to achieving this target

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number
Oth 1

Year target was set
2020

Target coverage
Business activity

Target type: absolute or intensity
Intensity

Target type: category & Metric (target numerator if reporting an intensity target)
Waste management
metric tons of waste generated

Target denominator (intensity targets only)
Other, please specify
per 100m2 completed floor area

Base year
2019

Figure or percentage in base year
9.64

Target year
2025

Figure or percentage in target year
8.19

Figure or percentage in reporting year
8.72

% of target achieved relative to base year [auto-calculated]

63.4482758621

Target status in reporting year

Underway

Is this target part of an emissions target?

This target is not part of a current emissions target.

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

Please explain target coverage and identify any exclusions

This target relates to construction waste from our sites and does not include office waste. Almost all waste is generated on our sites, so this target covers the vast majority of waste produced across the business. The target aims to achieve a 15% reduction in tonnes/100m2 completed floor area by 2025, from a base year of 2019. Our performance in 2022 achieved a 10% reduction against the target base year.

Plan for achieving target, and progress made to the end of the reporting year

Data is shared across the Group to drive improvements in resource efficiency. The Group's Legacy Range house types were designed with consideration for reducing potential material offcuts, contributing towards reducing waste. We are also engaging with suppliers to explore opportunities to reduce packaging waste and we continue to roll out initiatives such as supplier return schemes.

List the actions which contributed most to achieving this target

C4.2c

(C4.2c) Provide details of your net-zero target(s).

Target reference number

NZ1

Target coverage

Company-wide

Absolute/intensity emission target(s) linked to this net-zero target

Abs1

Int1

Target year for achieving net zero

2045

Is this a science-based target?

Yes, and this target has been approved by the Science Based Targets initiative

Please explain target coverage and identify any exclusions

The target is company-wide and includes all emissions associated with our value chain: Scope 1: Combustion of natural gas, biogas, gas oil, biodiesel HVO and LPG, the use of refrigerants and group operated fleet. These fuels are consumed in the Head Office, divisional offices, construction sites and site offices for the purposes of space heating, operation of construction mobile plant, vehicles, and on-site generators.

Scope 2: Consumption of grid electricity across its construction sites, Head Office, divisional offices and site offices for the purposes of running operations.

Scope 3: 1. Purchased goods and services, 2. Capital goods, 3. Fuel and energy related activities (not included in scope 1 or scope 2), 4. Upstream transportation and distribution, 5. Waste generated in operations, 6. Business travel, 7. Employee commuting, 11. Use of sold products, and 12. Endof-life treatment of sold products.

Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?

Yes

Planned milestones and/or near-term investments for neutralization at target year

We are researching opportunities for neutralising emissions.

Planned actions to mitigate emissions beyond your value chain (optional)

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	1	0
To be implemented*	1	82
Implementation commenced*	1	70
Implemented*	3	483
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

Low-carbon energy generation
Liquid biofuels

Estimated annual CO2e savings (metric tonnes CO2e)

318

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

Voluntary/Mandatory

Voluntary

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

0

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

206,000

Payback period

No payback

Estimated lifetime of the initiative

Ongoing

Comment

On 1st April 2022, the UK government withdrew the allowance of red diesel within construction, leaving us with two replacement fuel options: white diesel and HVO biodiesel (HVO). Implementation of the move away from red diesel began in March 2022.

In line with our science-based carbon reduction targets, we have increased the proportion of our site diesel used which is HVO (49% of diesel used on site in FY22 was HVO, up from 17% in FY21). While white diesel has a slightly reduced emissions factor compared to red diesel, HVO has a much lower emissions factor.

In 2022 our total diesel use was 1,191,169 litres, an increase on 2021 which was 844,292. The split of diesel for 2022 was 23% red, 28% white and 49% HVO, compared to 2021 at 83% red and 17% HVO. Although there was an increase in fuel use in 2022, the changing profile of fuel used enabled an absolute reduction of 318 tonnes of CO2e, equating to a 16% reduction against 2021. The CO2e intensity per litre of diesel used in 2022 reduced by 41% when compared to 2021.

Initiative category & Initiative type

Energy efficiency in production processes
Machine/equipment replacement

Estimated annual CO2e savings (metric tonnes CO2e)

37

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

Voluntary/Mandatory

Voluntary

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

35,000

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

26,000

Payback period

<1 year

Estimated lifetime of the initiative

Ongoing

Comment

The use of a hybrid generator on one of our sites has reduced the running hours where power has been required for 24 hours a day. This has reduced the run time over a 5-month period from 3,720 hours to 1,466 hours, a reduction of 2,254 hours (61%). Based on the white/biodiesel HVO split of fuel in the relevant 5-month period (47%/53%), 16 tCO2e has been avoided. This equates to an annual reduction of 37 tCO2e.

Initiative category & Initiative type

Energy efficiency in production processes
Machine/equipment replacement

Estimated annual CO2e savings (metric tonnes CO2e)

128

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

Voluntary/Mandatory

Voluntary

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

124,000

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

0

Payback period

<1 year

Estimated lifetime of the initiative

Ongoing

Comment

In 2020 we agreed a new partnership with our telehandler supplier and incorporated a target that all machines on hire would be equipped with tier 5 engines by the end of 2022. At the time of agreement, none of the telehandlers on our sites were equipped with stage 5 machines, compared to the end of the 2022 reporting period (October 31st 2022) where 96% of telehandlers were fitted with tier 5 engines.
This commitment has avoided 94,500 litres being consumed, a reduction of 15% when compared to full stage 4 engines, which when split based on fuel purchased in the period, has avoided 128 tonnes of CO2e being produced. This is calculated to have saved £146,000. There was no capital uplift for incorporating Tier 5 telehandlers into the fleet.

C4.3c

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

Method	Comment
Compliance with regulatory requirements/standards	Compliance with, and where possible exceeding, current Building Regulations which are designed to drive down carbon emissions of new homes. Crest Nicholson also meets, and where possible exceeds, local planning requirements which means that many of our developments exceed Building Regulations. The business is investing in research and development into cost-effective, consumer-friendly solutions to achieve homes that are zero carbon ready and meet the Future Homes Standard.
Dedicated budget for energy efficiency	Projects identified as having potential for yielding cost and carbon savings are assigned specific budgets and resources. Budget is also provided for R&D into new heating technologies and compliance with future Building Regulations and the Future Homes Standard.
Employee engagement	Employees receive sustainability-focused communication via the Group intranet, emails, meetings and site visits. Energy, fuel and water dashboards are provided to divisional business units to allow them to monitor performance and target areas for improvement. Ongoing engagement includes carbon reduction target performance updates via our employee newsletter, the Exchange, and the sharing of good practice examples of energy and fuel reduction initiatives helps harness support for further efficiency gains.

Internal incentives/recognition programs	Our Executive Leadership Team are incentivised to achieve greenhouse gas emission reductions through the Long Term Incentive Plan. Group and divisional colleagues are incentivised to reduce waste through the annual bonus scheme. Employees who receive a car benefit are incentivised to reduce their vehicle emissions through a financial bonus for driving a lower-emission vehicle. Detail is provided in section 1.3a.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.

Level of aggregation

Group of products or services

Taxonomy used to classify product(s) or service(s) as low-carbon

Other, please specify

UK Government's Standard Assessment Procedure

Type of product(s) or service(s)

Buildings construction and renovation

Other, please specify

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

Description of product(s) or service(s)

All our homes are designed and built to help enable sustainable lifestyle choices and a lower carbon footprint for our customers. This includes design features to minimise energy and water use as well as other elements within the homes and across the development that make what we produce a low-carbon product. Homes come with water-efficient appliances and high levels of insulation. Some homes also utilise low-carbon technologies, such as solar photo-voltaic and district heating systems.

All UK homes are required to have an energy performance certificate (EPC). Ratings are provided for environmental impact (carbon emissions) and energy efficiency, ranging from A-G, with A being the highest score (least impact on the environment). 81% of our homes constructed in 2022 achieved an energy EPC rating of A or B and 92% had an environmental impact rating of A or B. Banks that offer green mortgages

typically classify EPC ratings of A and B to be eligible for the product. Environmental Impact ratings are most relevant from a greenhouse gas emission perspective.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

No

Methodology used to calculate avoided emissions

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Functional unit used

Reference product/service or baseline scenario used

Life cycle stage(s) covered for the reference product/service or baseline scenario

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

Explain your calculation of avoided emissions, including any assumptions

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

92

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

No

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?
Row 1	No

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start

November 1, 2018

Base year end

October 31, 2019

Base year emissions (metric tons CO2e)

6,721

Comment

Scope 2 (location-based)

Base year start

November 1, 2018

Base year end

October 31, 2019

Base year emissions (metric tons CO2e)

1,737

Comment

Scope 2 (market-based)

Base year start

November 1, 2018

Base year end

October 31, 2019

Base year emissions (metric tons CO2e)

1,171

Comment

Scope 3 category 1: Purchased goods and services

Base year start
November 1, 2018

Base year end
October 31, 2019

Base year emissions (metric tons CO2e)
122,094

Comment

Scope 3 category 2: Capital goods

Base year start
November 1, 2018

Base year end
October 31, 2019

Base year emissions (metric tons CO2e)
100,023

Comment

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start
November 1, 2018

Base year end
October 31, 2019

Base year emissions (metric tons CO2e)
2,193

Comment

Scope 3 category 4: Upstream transportation and distribution

Base year start
November 1, 2018

Base year end
October 31, 2019

Base year emissions (metric tons CO2e)
6,168

Comment

Scope 3 category 5: Waste generated in operations

Base year start
November 1, 2018

Base year end
October 31, 2019

Base year emissions (metric tons CO2e)
46

Comment

Scope 3 category 6: Business travel

Base year start
November 1, 2018

Base year end
October 31, 2019

Base year emissions (metric tons CO2e)
756

Comment

Scope 3 category 7: Employee commuting

Base year start
November 1, 2018

Base year end
October 31, 2019

Base year emissions (metric tons CO2e)
765

Comment

Scope 3 category 8: Upstream leased assets

Base year start
November 1, 2018

Base year end
October 31, 2019

Base year emissions (metric tons CO2e)
0

Comment
Crest Nicholson has no upstream leased assets.

Scope 3 category 9: Downstream transportation and distribution

Base year start
November 1, 2018

Base year end
October 31, 2019

Base year emissions (metric tons CO2e)
0

Comment
Crest Nicholson does not have any downstream transportation and distribution.

Scope 3 category 10: Processing of sold products

Base year start
November 1, 2018

Base year end
October 31, 2019

Base year emissions (metric tons CO2e)
0

Comment
Crest Nicholson does not have any downstream processing of sold products.

Scope 3 category 11: Use of sold products

Base year start
November 1, 2018

Base year end
October 31, 2019

Base year emissions (metric tons CO2e)
442,223

Comment

Emissions arising from both regulated and unregulated energy consumed in the home over a 60-year period.

Scope 3 category 12: End of life treatment of sold products

Base year start

November 1, 2018

Base year end

October 31, 2019

Base year emissions (metric tons CO2e)

4,004

Comment

Scope 3 category 13: Downstream leased assets

Base year start

November 1, 2018

Base year end

October 31, 2019

Base year emissions (metric tons CO2e)

0

Comment

Crest Nicholson does not have any downstream leased assets.

Scope 3 category 14: Franchises

Base year start

November 1, 2018

Base year end

October 31, 2019

Base year emissions (metric tons CO2e)

0

Comment

Crest Nicholson does not operate any franchises.

Scope 3 category 15: Investments

Base year start

November 1, 2018

Base year end

October 31, 2019

Base year emissions (metric tons CO2e)

0

Comment

Investment related emissions are not relevant to the business.

Scope 3: Other (upstream)

Base year start

November 1, 2018

Base year end

October 31, 2019

Base year emissions (metric tons CO2e)

0

Comment

Not applicable

Scope 3: Other (downstream)

Base year start

November 1, 2018

Base year end

October 31, 2019

Base year emissions (metric tons CO2e)

0

Comment

Not applicable

C5.3

(C5.3) 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 CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

3,070

Comment

Scope 1 emissions arise from the combustion of natural gas, biogas, gas oil, biodiesel HVO and LPG, and the use of refrigerants. These fuels are consumed in the Head Office, divisional offices, construction sites and site offices for the purposes of space heating, operation of construction mobile plant, vehicles, and on-site generators.

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 are reporting a Scope 2, market-based figure

Comment

Scope 2 emissions reported as both market-based and location-based in our Annual Integrated Report 2022 and in our ESG Data Handbook 2022.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

1,379

Scope 2, market-based (if applicable)

234

Comment

We report both location and market-based scope 2 emissions. Scope 2 emissions arise from the consumption of grid electricity across construction sites, Head Office, divisional offices and site offices for the purposes of running operations.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 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

Emissions in reporting year (metric tons CO2e)

87,092

Emissions calculation methodology

Spend-based method

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

0

Please explain

Emissions relating to purchased goods and services are currently calculated using a spend-based approach. Spend data is broken down into product categories that align with the Quantis scope 3 evaluator tool. The relevant conversion factors are then applied. Purchased goods and services includes emissions associated with our supply chain that are not accounted for in our material bill of quantities for our homes.

Capital goods

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

98,806

Emissions calculation methodology

Average product method

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

0

Please explain

Capital goods includes all material included in our bill of quantities. For example, this includes bricks, blocks, roof tiles, timber, steel etc. The OneClick LCA tool was used to convert material quantities to carbon emissions. The tool uses Environmental Product Declarations where available, and generic UK industry averages otherwise.

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

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

1,504

Emissions calculation methodology

Average product method

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

100

Please explain

Fuel and energy related activities includes emissions associated with well to tank and transmission and distribution losses. The data related to these emissions is associated with both meter readings and data provided directly by our suppliers.

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

6,770

Emissions calculation methodology

Average product method

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

0

Please explain

Upstream transportation and distribution related emissions were included in the OneClick LCA output based on material quantity data, and industry average modes of transport, loading factors, and average distances based on material type.

Waste generated in operations

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

262

Emissions calculation methodology

Waste-type-specific method

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

100

Please explain

All waste data is provided by our waste management companies. UK government carbon conversion factors were used to calculate the emissions associated with the relevant disposal methods of our office and site construction waste.

Business travel

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

777

Emissions calculation methodology

Distance-based method

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

0

Please explain

Scope 3 business travel data is associated with employee owned vehicles and public transport. Mileage data is obtained from our expense claim system and multiplied by the relevant carbon conversion figure using the UK government's carbon conversion factors.

Employee commuting

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

930

Emissions calculation methodology

Distance-based method

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

0

Please explain

Commuting data is obtained via an annual employee survey to determine mode of transport and distance travelled. The data is then multiplied by the relevant emissions factor from the UK government's carbon conversion factors.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

Crest Nicholson has no upstream leased assets.

Downstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Please explain

Crest Nicholson does not have any downstream transportation and distribution.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Please explain

Crest Nicholson does not have any downstream processing of sold products.

Use of sold products

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

393,328

Emissions calculation methodology

Methodology for direct use phase emissions, please specify

Dwelling emission rate (DER) of homes used. Factored in grid decarbonisation using BEIS Green Book projections.

Methodology for indirect use phase emissions, please specify

RICS professional statement for whole life carbon modulated to account for residential energy end use.

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

100

Please explain

Emissions arising from both regulated and unregulated energy consumed in the home over a 60-year period. The annual emissions associated with regulated energy of each completed home was calculated by multiplying the DER (dwelling emissions rate) of each completed home by its floor area. The DER is the annual CO2 emissions associated with regulated energy used within a home and is calculated in line with Building Regulations. The emissions from all homes was multiplied by 60 years, which is a hypothetical lifespan of a home. Decarbonisation of the grid was taken into account based on future energy projections from the BEIS Green Book. In the absence of actual unregulated energy data we followed the RICS professional statement for whole life carbon assessment for the built environment which states that unregulated energy

demand should be equal to regulated energy demand, and modulated this to account for residential energy end-use, rather than commercial buildings at which the RICS guidance was aimed.

End of life treatment of sold products

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

3,587

Emissions calculation methodology

Average product method

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

0

Please explain

End of life treatment of goods related emissions were included in the OneClick LCA output based on material quantity data.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

Crest Nicholson does not have any downstream leased assets.

Franchises

Evaluation status

Not relevant, explanation provided

Please explain

Crest Nicholson does not operate any franchises.

Investments

Evaluation status

Not relevant, explanation provided

Please explain

No investments other than those already accounted for in scopes 1 and 2.

Other (upstream)

Evaluation status

Not relevant, explanation provided

Please explain

No other upstream emissions.

Other (downstream)

Evaluation status

Not relevant, explanation provided

Please explain

No other downstream emissions.

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, quantitative assessment	We conducted life cycle emissions assessment on a benchmark house type as part of our scope 3 emissions inventory in 2021. We are also members of a Future Homes Hub workstream on whole life carbon. This brings together representatives across the construction sector designed to develop the methodology for assessing the life cycle emissions associated with home building. We are currently conducting further whole life cycle analysis on a selection of our most used house types to further support the calculation of our scope 3 GHG emissions and help to identify carbon reduction opportunities.

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	Design phase	Cradle-to-grave	Whole life carbon assessment for the built environment (RICS)	Scope 3 GHG emissions account for around 99% of our overall carbon footprint. Approximately two-

					thirds of the GHG emissions are associated with the operational use of the home (downstream emissions), a third relates to the upstream emissions (embodied carbon of the materials we use to build homes). Downstream emissions will fall significantly through the implementation of the Future Homes Standard, but achieving this may have an impact on the upstream emissions. For example, increasing the amount of insulation used may result in lower downstream emissions, but higher upstream emissions. Also, as the operational emissions fall, the upstream emissions will form a larger part of our footprint. Life cycle assessments (LCA) play an important role in both determining our GHG emissions and identifying opportunities to reduce emissions. We have already

					completed an LCA on our benchmark standard house type and will be completing further LCAs across our house type range in 2023.

C-CN6.6b/C-RE6.6b

(C-CN6.6b/C-RE6.6b) Can you provide embodied carbon emissions data for any of your organization's new construction or major renovation projects completed in the last three years?

	Ability to disclose embodied carbon emissions	Comment
Row 1	Yes	

C-CN6.6c/C-RE6.6c

(C-CN6.6c/C-RE6.6c) Provide details of the embodied carbon emissions of new construction or major renovation projects completed in the last three years.

Year of completion
2022

Property sector
Residential

Type of project
New construction

Project name/ID (optional)

Life cycle stage(s) covered
Cradle-to-grave

Normalization factor (denominator)
IPMS 2 – Residential

Denominator unit
square meter

Embodied carbon (kg/CO2e per the denominator unit)
349

% of new construction/major renovation projects in the last three years covered by this metric (by floor area)

0

Methodologies/standards/tools applied

Whole life carbon assessment for the built environment (RICS)

Comment

An embodied carbon assessment was completed on our benchmark standard house type. The assessment included substructure, superstructure and finishes for the modules A1-A5 and C1-C4. The analysis used material quantities for the selected house type, which were run through the embodied carbon calculator, OneClick LCA. Other building elements are accounted for under purchased goods and services using a spend-based carbon conversion approach.

C6.7

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

Yes

C6.7a

(C6.7a) Provide the emissions from biogenic carbon relevant to your organization in metric tons CO2.

	CO2 emissions from biogenic carbon (metric tons CO2)	Comment
Row 1	1,513	The emissions from biogenic carbon are calculated in line with the GHG protocol under "outside of scopes". Just like in 2021, but unlike in our base year 2019 we consumed biodiesel (HVO) in the most recent year (2022) in on-site operations. Further "outside of scopes" emissions result from the consumption of biogas in offices, and from company-and employee-owned vehicles.

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

4.8698

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

4,449

Metric denominator

unit total revenue

Metric denominator: Unit total

913.6

Scope 2 figure used

Location-based

% change from previous year

28.5

Direction of change

Decreased

Reason(s) for change

Other emissions reduction activities
Change in output
Change in revenue

Please explain

The intensity figure has decreased from the previous year, as both the total emissions from scope 1 and 2 have decreased and the total revenue has increased.

Intensity figure

1.81672

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

4,449

Metric denominator

Other, please specify
units per 100 m2 delivered

Metric denominator: Unit total

2,449

Scope 2 figure used

Location-based

% change from previous year

27.9

Direction of change

Decreased

Reason(s) for change

Other emissions reduction activities
Change in output

Please explain

The intensity figure has decreased from the previous year, as both the total emissions from scope 1 and 2 have decreased and the floor area delivered has increased.

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/area/region.

Country/area/region	Scope 1 emissions (metric tons CO2e)
United Kingdom of Great Britain and Northern Ireland	3,070

C7.3

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

By activity

C7.3c

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

Activity	Scope 1 emissions (metric tons CO2e)
Offices	83
Construction sites	2,431
Business travel	556

C7.5

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

Country/area/region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)

United Kingdom of Great Britain and Northern Ireland	1,379	234

C7.6

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

By activity

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)
Offices	107	37
Construction sites	1,271	196
Business travel	1	1

C7.7

(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

Not relevant as we do not have any subsidiaries

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?

Decreased

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 in emissions	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0		0	Although we have increased our proportion of renewable energy consumption in the reporting year, this reduces our market-based emissions as opposed to

				our location-based emissions for which we are reporting in this section. Our carbon emission reduction targets are also location-based.
Other emissions reduction activities	483		9	Emission reduction activities implemented during the reporting year (FY2022) are estimated to have reduced carbon emissions by 483 tCO2e. Our total Scope 1 and Scope 2 emissions in 2021 were 5,356 tCO2e. The percentage change value resulting from emissions reduction activities has therefore been calculated as (483/5,356)*100 = reduction of 9%. The emission reduction activities have included switching to more use of white diesel and HVO biodiesel, the use of hybrid generators, and further upgrading our telehandler fleet to more efficient engines. More detail on these initiatives is provided in section 4.3b.
Divestment	0		0	Crest Nicholson has not experienced recent divestments.
Acquisitions	0		0	Crest Nicholson has not experienced recent acquisitions.
Mergers	0		0	Crest Nicholson has not experienced recent merges.
Change in output	591		11	Crest Nicholson completed 2,734 homes in FY22 compared with 2,407 in FY21, an increase of 14%. The floor area of the completed homes (per 100m2), which is one of our intensity metrics, increased by 15%. If we apply the FY22 scope 1 and 2 emissions intensity of 1.82 tCO2e/100m2 to the difference in m2 delivered in FY22 v FY21, the difference in scope 1 and 2 emissions would have been 591 tCO2e in the absence of any other factors, which is 11% of our FY21 emissions. In FY22 Crest Nicholson reduced the GHG emissions intensity from 2.52 (in FY21) to 1.82 tCO2e/100m2, which outweighs the increase in completions.

Change in methodology	0		0	Crest Nicholson has not experienced recent changes in methodology.
Change in boundary	0		0	Crest Nicholson has not experienced recent changes in boundaries.
Change in physical operating conditions	0		0	Crest Nicholson did not undergo any changes in physical operating conditions.
Unidentified	0		0	
Other	151		3	The figure of 151 tonnes CO2e represents the greenhouse gas emission reduction associated with the decarbonisation of the UK grid. UK Government GHG conversion factors are updated annually and we apply these to the relevant reporting year. To calculate the impact on emissions we have compared the emissions associated with electricity consumption using the 2022 GHG conversion factor for UK electricity against the equivalent 2021 factor used the prior year. The result was 151 tCO2e. Out of our total scope 1 and 2 emissions in 2021, this equates to a reduction of 3% ((151/5356 tCO2e)*100).

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	No

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)	6,173.9	12,862.43	19,036.33
Consumption of purchased or acquired electricity		5,373.78	1,752.24	7,126.02
Total energy consumption		11,547.68	14,614.67	26,162.35

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.

Sustainable biomass

Heating value

HHV

Total fuel MWh consumed by the organization

6,173.9

MWh fuel consumed for self-generation of electricity

5,855,406.98

MWh fuel consumed for self-generation of heat

5,849,233.08

Comment

Biogas used in our Head Office, Biodiesel HVO at construction sites

Other biomass

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

Comment

Other renewable fuels (e.g. renewable hydrogen)

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

Comment

Coal

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

Comment

Oil

Heating value

HHV

Total fuel MWh consumed by the organization

8,647,040.32

MWh fuel consumed for self-generation of electricity

6,380,746.92

MWh fuel consumed for self-generation of heat

2,266,293.4

Comment

Motor gasoline used in vehicles, diesel used for plant and equipment on site and in vehicles, and LPG.

Gas

Heating value

HHV

Total fuel MWh consumed by the organization

4,215.39

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

4,215.39

Comment

Consumption of natural gas used in offices and on site. This excludes the biogas, which has been included in the sustainable biomass category

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

Comment

Total fuel

Heating value

HHV

Total fuel MWh consumed by the organization

8,657,429.61

MWh fuel consumed for self-generation of electricity

12,236,153.9

MWh fuel consumed for self-generation of heat

8,119,741.87

Comment

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in C6.3.

Country/area of low-carbon energy consumption

United Kingdom of Great Britain and Northern Ireland

Sourcing method

Retail supply contract with an electricity supplier (retail green electricity)

Energy carrier

Electricity

Low-carbon technology type

Renewable energy mix, please specify

Renewable electricity associated with tariffs for our offices are sourced from wind, solar and tidal. Renewable electricity associated with tariffs for our sites are based on a mix on supplier generated electricity and partnering with wind farms.

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

5,373.78

Tracking instrument used

REGO

Country/area of origin (generation) of the low-carbon energy or energy attribute

United Kingdom of Great Britain and Northern Ireland

Are you able to report the commissioning or re-powering year of the energy generation facility?

No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

The electricity supplied to our Chertsey and Bristol offices is 100% renewable, backed up with Renewable Energy Guarantees of Origin (REGOs). The site renewable energy contracts are also purchased from suppliers with Renewable Energy Guarantees of Origin (REGOs). The information on the commissioning year of generation facilities is not available for us to disclose.

C8.2g

(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.

Country/area

United Kingdom of Great Britain and Northern Ireland

Consumption of purchased electricity (MWh)

7,126.02

Consumption of self-generated electricity (MWh)

12,236,153.9

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

8,119,741.87

Total non-fuel energy consumption (MWh) [Auto-calculated]

20,363,021.79

C9. Additional metrics

C9.1

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

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?

	Investment in low-carbon R&D	Comment
Row 1	Yes	

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

Unable to disaggregate by technology area

Stage of development in the reporting year

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

40

R&D investment figure in the reporting year (unit currency as selected in C0.4) (optional)

Average % of total R&D investment planned over the next 5 years

40

Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

The Group Operations team, including the Group Operations Director, Procurement Director, Technical Director and Head of Sustainability, continues to research opportunities to improve the building fabric of our homes together with new technologies, including heating technology, in preparation for updates to Building Regulations and the Future Homes Standard. This includes engagement with suppliers and energy assessors to research the potential carbon emission impacts of different building fabrics and technologies. We also continue to review the embodied carbon of building materials, which account for around a third of our carbon footprint. The aforementioned research will play a crucial role in reducing our upstream and downstream scope 3 emissions and as this accounts for 99% of our carbon footprint, it very much aligns with our net-zero commitment. To reduce scope 1 and 2 emissions, we continue to research, and rollout where feasible, low carbon solutions for site operations, such as electric plant and equipment and alternative fuels.

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?

Yes

C-CN9.10a/C-RE9.10a

(C-CN9.10a/C-RE9.10a) Provide details of new construction or major renovations projects completed in the last 3 years that were designed as net zero carbon.

Property sector

Residential

Definition(s) of net zero carbon applied

National/local government standard, please specify

Planning Policy Statement 1: Eco Towns defines net zero as "over a year the net carbon dioxide emissions from all energy sources within the buildings on the development as a whole are zero or below".

% of net zero carbon buildings in the total number of buildings completed in the last 3 years

1

Have any of the buildings been certified as net zero carbon?

No

% of buildings certified as net zero carbon in the total number of buildings completed in the last 3 years

Certification scheme(s)

Comment

The site has achieved the highest rating using the CEEQUAL sustainability assessment tool.

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	Third-party verification or assurance process in place

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

Crest Nicholson GHG FY22 Limited Assurance Statement.pdf

Page/ section reference
Pages 1-3 of the Limited Assurance Statement

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

Crest Nicholson GHG FY22 Limited Assurance Statement.pdf

Page/ section reference
Pages 1-3 of the Limited Assurance Statement

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category

Scope 3: Purchased goods and services
Scope 3: Capital goods
Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)
Scope 3: Upstream transportation and distribution
Scope 3: Waste generated in operations
Scope 3: Business travel
Scope 3: Employee commuting
Scope 3: Use of sold products
Scope 3: End-of-life treatment of sold products

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

Crest Nicholson GHG FY22 Limited Assurance Statement.pdf

Page/section reference

Pages 1-3 of the Limited Assurance Statement

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?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C4. Targets and performance	Energy consumption	ISO14064-3	Energy consumption data was verified during the Limited Assurance process.

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 canceled any project-based carbon credits within the reporting year?

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/clients

C12.1a

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

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

55

% total procurement spend (direct and indirect)

57.6

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

Rationale for the coverage of your engagement

In 2021 we became members of the Supply Chain Sustainability School (the School). In 2022 we engaged with our corporate banking partners to agree on a new Sustainability Linked Revolving Credit Facility (RCF). The interest rate on the RCF is linked to four sustainability targets. One of these targets is to increase group supplier engagement with the School to 90% of group suppliers rated as bronze, silver, or gold (rated B/S/G) by 2026.

The School is a key lever in improving supplier engagement around carbon reduction, with a focus on upstream scope 3 as this is where approximately 33% of our emissions are accounted for. Through direct engagement, shared knowledge and experience, webinars and learning materials we engage our supply chain on various topics, improving outcomes in all areas.

Impact of engagement, including measures of success

We reviewed all group suppliers who supply material into the homes we build and found only 26% of them were rated B/S/G. We conducted a targeted email campaign to those suppliers who were not yet registered or rated with the School, informing them of our targets and their required assistance in helping us achieve this goal. Following the engagement and at the time of writing, 55% of suppliers are now rated B/S/G, representing 57.6% of material spend. The size and impact of these organisations varies, both organisation value and embodied carbon; from UK based multi-million turnover to multinational, multi-billion-pound turnover.

While we have prioritised those organisations with higher embodied carbon products (and therefore cost) we haven't neglected the smaller suppliers, ensuring engagement is occurring at all levels. This is also a topic that is raised in every quarterly update with suppliers as well as being included in tender packs for all group suppliers. Plans to further develop engagement are to hold webinars with the School and our suppliers and creating learning pathways to help our suppliers achieve each level of membership with areas of learning that are pertinent to Crest Nicholson's sustainability objectives.

Comment

C12.1b

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

Type of engagement & Details of engagement

Education/information sharing

Share information about your products and relevant certification schemes (i.e. Energy STAR)

% of customers by number

100

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

100

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

Approximately two thirds of the lifecycle emissions of our homes arise from the in-use stage. Large differences in consumption can occur based on how the homes are used. Research also highlights that energy efficiency is increasing in importance for prospective home buyers. Energy efficiency and associated carbon emissions are likely to remain important for our customers with both energy costs and awareness of climate change increasing. It is important to engage with our customers to ensure they understand the energy efficient features of our homes and how they can effectively use the features to minimise their water, energy use and associated emissions. Several methods are used to engage with our customers. Our Sales teams have a good knowledge of how the homes can minimise energy and this is explained to potential customers during the purchasing journey. Home demonstrations are provided when customers move in and at this stage we explain how to use the home as efficiently as possible, supporting customers to save money on energy bills and reduce their carbon footprint. For example, we show customers how to optimise the use of their heating system and set the thermostats to the recommended setting, together with advice on other technical features within the home. Any further queries our customers have can be discussed with our customer service teams. We also publish information on the sustainable features of our homes on our corporate website.

Impact of engagement, including measures of success

A measure of success is our customer satisfaction scores and comments on our home demonstrations and the quality of the home. Customers are asked to complete a satisfaction survey, via a third party, approximately eight weeks after moving into their new home. Currently, over 85% of our customers were positive about their home demonstration experience.

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?

Yes, climate-related requirements are included in our supplier contracts

C12.2a

(C12.2a) Provide details of the climate-related requirements that suppliers have to meet as part of your organization's purchasing process and the compliance mechanisms in place.

Climate-related requirement

Other, please specify

Compliance with Crest Nicholson's Supply Chain Code of Conduct

Description of this climate related requirement

We have a Supply Chain Code of Conduct (the Code) which all suppliers, subcontractors and consultants are required to adhere to. The Code explicitly references our expectation of our Supply Chain Partners to reduce energy, water and fuel consumption and to consider low carbon and renewable technologies where possible. The Code also requires that our supply chain partners fully comply with the ethos and objectives set out in our Climate Change Policy and sets out our expectation for them to monitor, quantify and report on GHG emissions.

The Code also sets out expectations around reducing our impact on natural resources. Supply chain partners are required to take into account:
• how to minimise the use of materials and the production of waste
• how to maximise the re-use, recycling and recovery of construction, demolition and excavation materials
• the use of reclaimed products and materials, and those with a high-recycle content where feasible
• the use of materials with lower embodied carbon.

A requirement to adhere to, and act in accordance with, our Supply Chain Code of Conduct is included in our standard conditions for the purchase of goods, contracts, and framework agreements with suppliers and subcontractors. The Code is also publicly available on the Crest Nicholson corporate website.

% suppliers by procurement spend that have to comply with this climate-related requirement

100

% suppliers by procurement spend in compliance with this climate-related requirement

100

Mechanisms for monitoring compliance with this climate-related requirement

Supplier self-assessment

Response to supplier non-compliance with this climate-related requirement

Retain and engage

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

Yes, we engage directly with policy makers

Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact the climate

Yes, we fund organizations or individuals whose activities could influence policy, law, or regulation that may impact the climate

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?

No, but we plan to have one in the next two years

Describe the process(es) your organization has in place to ensure that your external engagement activities are consistent with your climate commitments and/or climate transition plan

Members of our Executive Leadership Team and senior management conduct engagement that can influence policy, law or regulation that may impact the climate. The primary process for engaging directly with policy makers is via the Group's response to Government consultations on emerging regulations. It is the same company representatives that are responsible for leading, developing and communicating our climate strategy, ensuring that any engagement is consistent with our company objectives on climate change.

C12.3a

(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?

Specify the policy, law, or regulation on which your organization is engaging with policy makers

We engaged on the updates to Building Regulations, including Part L (conservation of fuel and power), Part O (overheating), Part F (ventilation) and Part S (infrastructure for

the charging of electric vehicles).

Category of policy, law, or regulation that may impact the climate

Low-carbon products and services

Focus area of policy, law, or regulation that may impact the climate

Energy efficiency requirements

Policy, law, or regulation geographic coverage

National

Country/area/region the policy, law, or regulation applies to

United Kingdom of Great Britain and Northern Ireland

Your organization's position on the policy, law, or regulation

Support with no exceptions

Description of engagement with policy makers

We have engaged with the Government on the details, timelines and delivery of Building Regulations that support climate mitigation and adaptation within our industry. We engage via a range of channels, including responding to consultations on proposed Building Regulations, industry representations via the HBF and the Future Homes Hub and direct engagement with Government representatives.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?

Greenhouse gas emissions associated with the use of our homes account for around two-thirds of our value chain GHG emissions. Changes to Part L of the Building Regulations and the future implementation of the Future Homes Standard (FHS) will reduce GHG emissions from the regulated energy element of our homes by at least 75% compared to the previous 2013 Building Regulations. The FHS will also prohibit the installation of fossil fuel heating, such as gas boilers, in new homes. This means that new homes delivered beyond 2025 in the UK will be 'zero carbon ready' as they are powered and heated by electricity only. Reducing the downstream GHG emissions associated with our homes is therefore central to the achievement of our transition to net-zero.

C12.3b

(C12.3b) Provide details of the trade associations your organization is a member of, or engages with, which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association

Other, please specify

Home Builders Federation (HBF)

Is your organization's position on climate change policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

Supportive of progressive reductions of GHG emissions associated with new build homes. Developing a framework and roadmap to deliver low carbon homes and sustainable communities to help mitigate and adapt to the impacts of climate change and supporting the government to achieve net zero emissions by 2050.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

Describe the aim of your organization's funding

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

C12.3c

(C12.3c) Provide details of the funding you provided to other organizations or individuals in the reporting year whose activities could influence policy, law, or regulation that may impact the climate.

Type of organization or individual

Research organization

State the organization or individual to which you provided funding

Future Homes Hub

Funding figure your organization provided to this organization or individual in the reporting year (currency as selected in C0.4)

Describe the aim of this funding and how it could influence policy, law or regulation that may impact the climate

The funding contributes to facilitating the work of the Future Homes Hub (FHH). The FHH brings together all sectors involved in the home building industry and sets out the goals, the roadmap and the requirements to support the development of high-quality sustainable homes across the whole sector.

The Future Homes strategic plan aims to support the sector-wide delivery of homes that meet the Government's climate and environmental targets, while consistently improving customer satisfaction, with:
- High-quality homes that are zero carbon ready, sustainable, while being healthy, safe and comfortable from 2025
- 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.

The FHH will work closely with government to ensure the roadmap is supported. This engagement is vital to give widespread confidence that the plan is in line with government's objectives and to unblock progress where necessary.

Have you evaluated whether this funding is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

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).

Publication

In mainstream reports, incorporating the TCFD recommendations

Status

Complete

Attach the document

2022 CN Annual Integrated Report.pdf

Page/Section reference

Protect the environment section (incorporates the TCFD disclosure). Pages 28-40.

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

Publication

In voluntary communications

Status

Complete

Attach the document

2022 CN ESG Data Handbook.pdf

Page/Section reference

2022 ESG Data Handbook, pages 3-18.

Content elements

Governance
Emissions figures
Emission targets
Other metrics

Comment

C12.5

(C12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

	Environmental collaborative	Describe your organization's role within each framework, initiative and/or commitment

	framework, initiative and/or commitment	
Row 1	Business Ambition for 1.5C Race to Zero Campaign Task Force on Climate-related Financial Disclosures (TCFD) Other, please specify Future Homes Hub	Business Ambition for 1.5C Crest Nicholson is a signatory of the Business Ambition for 1.5C, committing to science-based net zero across the value chain by 2045. The Group signed the commitment letter in September 2021. Race to Zero Crest Nicholson is a member of the Race to Zero campaign. Since becoming a member, the Group has set science-based targets covering scopes 1, 2 and 3 GHG emissions, for both the medium term (to 2030) and long term (to 2045). The Group is committed to achieving net zero GHG emissions across the value chain by 2045. The targets have been validated by the Science Based Targets initiative (SBTi) Task Force on Climate-related Financial Disclosures (TCFD) The Group supports the recommendations set out by the TCFD. The 2022 Annual Integrated Report included disclosure against the eleven recommended criteria. Future Homes Hub The Group is a member of the Future Homes Hub (FHH), which has been established to facilitate the collaboration needed within and beyond the UK new homes sector to help meet the climate and environmental challenges that lay ahead. The goals of the FHH are: - High-quality homes that are zero carbon ready and sustainable - Places and developments that are consistently low carbon, nature-rich, resilient, health, 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 that are recognised and rewarded for net zero and sustainability performance.

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity

Row 1	Yes, board-level oversight	Oversight of biodiversity sits within the remit of the Sustainability Committee, which is chaired by our Chief Executive Officer. The business is committed to delivering a biodiversity net gain in line with the Environment Act 2021.

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments
Row 1	Yes, we have made public commitments only	Commitment to Net Positive Gain

C15.3

(C15.3) Does your organization assess the impacts and dependencies of its value chain on biodiversity?

Impacts on biodiversity

Indicate whether your organization undertakes this type of assessment

Yes

Value chain stage(s) covered

Direct operations

Tools and methods to assess impacts and/or dependencies on biodiversity

Other, please specify

Ecological impact assessments completed on all developments. Defra Biodiversity Metric used on sites with a Biodiversity Net Gain requirement.

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)

Dependencies on biodiversity

Indicate whether your organization undertakes this type of assessment

No, but we plan to within the next two years

C15.4

(C15.4) Does your organization have activities located in or near to biodiversity-sensitive areas in the reporting year?

Not assessed

C15.5

(C15.5) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity- related commitments
Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	Land/water protection Land/water management Species management Education & awareness Law & policy

C15.6

(C15.6) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	Yes, we use indicators	Other, please specify DEFRA Biodiversity metric

C15.7

(C15.7) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In mainstream financial reports	Content of biodiversity-related policies or commitments	Annual Integrated Report, page 40 1

[1]2022 CN Annual Integrated Report.pdf

C16. 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.

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Group Operations Director	Board/Executive board

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms