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# Building Homes.

**Building affordable, quality homes.**

We build our homes with the needs of our customers first and aim for 5-star quality across all of our developments.

We will not hand over the keys to a home unless we are proud to put our name to it.

**£95,000**

With prices from as low as £95,000, a working couple on the National Living Wage can afford to buy on any of our developments.

**Gleeson homes:**

-  2, 3 or 4 bed houses
-  Significantly cheaper to buy than rent
-  Highly energy efficient
-  Sold freehold

**Traditional approach:**

-  Brick and block construction
-  Front and rear gardens
-  Driveways at the side

# Changing Lives.

**Where they are needed, for the people who need them most.**

We exist to provide homes to a largely underserved community of young, first time buyers.

We strive to make homeownership a reality for everyone.

**Gleeson customers:**

- 80%**  
First time buyers
- 2 out of 3**  
Key workers
- 29 years old**  
Median buyer age
- 1 out of 3**  
Below 25 years old
- £23,000**  
Median buyer income
- 51%**  
Single buyers

**4 out of 5**

of our homes are built in the most deprived areas of the UK. That compares to 1 out of 4 for other housebuilders.

# Our Sustainable Approach

**Our vision:**  
Building Homes.  
Changing Lives.

**Our mission:**  
Changing lives by building affordable, quality homes. Where they are needed, for the people who need them most.

→ Read more on **Our Sustainable Business Strategy** on page 6

→ Read more on **Our Values and Culture** on page 3



Our sustainable business strategy is built around our relationship with Communities, People and the Environment.

## Communities



We want to create attractive, affordable places for young, first time buyers to live, creating sustainable communities.

## People



We are committed to ensuring all employees and subcontractors will be treated fairly, kept safe and be paid a fair wage.

## Environment



We take all reasonable measures to conduct our business in a way that minimises our impact on the environment and enhances the land we develop.

### Our most material sustainability issues are:



Health and safety



Affordability



Land



Build quality



Carbon emissions

### Our business supports six UN Sustainable Development Goals (“SDGs”) through its activities:



Sustainable cities and communities



Gender equality



Decent work and economic growth



Responsible consumption and production



Climate action



Life on land

→ Read more on **our Material Sustainability Issues** on page 5

→ Read more on **our support of UN SDGs** on page 13

We have engaged with our key stakeholders to understand their views on our material sustainability issues.



Customers



Employees



Shareholders



Local Authorities



Banks

→ Read more on **our Communities** on page 7

→ Read more on **our People** on page 8

→ Read more on **our relationship with the Environment** on 9 to 10

## Our Values and Culture

### Our Values

#### We are Passionate

We are passionate about building high-quality homes that are affordable for everyone.

We are passionate about our customers and ensuring they enjoy buying their home from us. Where we get things wrong, we aim to put it right quickly and fairly.

We are proud of the strong relationships we build with our suppliers and contractors who work alongside us.

#### We are Collaborative

We work together collaboratively, with shared goals, where information, knowledge and ideas can be discussed openly, honestly and free from judgement.

We listen to our customers and work with them throughout their buying journey.


We collaborate with our external partners and value their part in helping us achieve our goals.

#### We are Respectful

We respect the right to a safe working environment on all our sites and in all our offices and are fully committed to ensuring our colleagues and those who work on, or visit our sites and offices, return HomeSafe – everyone, every day.

We are respectful of our customers, colleagues and partners by listening to them and treating them equally and fairly.

We undertake our business in an ethical way, and we respect the environment.

 Ahmed, Technical Site Engineer, Greater Manchester



## Our values in action – case studies

### We are Passionate

We are passionate about what we do; Paul Hume, a forklift operator at Petersmiths Park in Ollerton, Nottinghamshire noticed there was an issue with dust on the roads around the site and that hiring an external road sweeper came at a cost.

Paul designed and created a dust-suppression system to attach to his forklift, which meant he could reduce the dust on the roads at a significantly lower cost and reduce idle time.

His passion sets a great example and his design has the potential for wider roll out on other sites.

### We are Collaborative

We work collaboratively with the community; during the construction of our Roseberry Court development in Kirkleatham, Redcar the local church kindly allowed us to use their land for the site compound and welfare facilities.

Since the construction of Roseberry Court, the old church was demolished and a new church built in its place. To show our appreciation for letting us use their land, Gleeson resurfaced the car park of the church free of charge and provided a fenced boundary between the church and our development.

### We are Respectful

We respect our customers' needs; when Oliver and Charlotte requested permission to convert their garage into a wet room and downstairs bedroom for their 12-year-old daughter with severe mobility limitations, we agreed to design and fund the entire project. We worked with Sheffield City Council and the NHBC to create a walk-in wet room and bedroom including a hoist to allow easier movement between the bed and wet room. No one should be restricted in their own home based on disability.

## Monitoring our culture

Our annual “Your Voice” survey is one of our engagement tools and helps us monitor the views of our colleagues across the business.

This year, we saw a 13% increase in response rate and are proud of the fact that, from an independent survey, we remain in the top quartile of companies across the country for employee engagement. This is important as it has been a challenging year including for those colleagues who were furloughed during the first lockdown, working remotely or dealing with the stresses of the pandemic on both mental and physical health. Despite these challenges, we saw an improvement in scores across many areas, as well as gaining a greater understanding of areas that need more attention in the coming year.

We also use a Personal Development Review process as a way to engage with all colleagues in a structured way twice a year. Our people are asked to reflect on how they have demonstrated our values, engaging in a meaningful conversation with their line manager about their aspirations, development needs and performance.

Find out more on page 8.

Our employee engagement score

89%  
(2020: 88%)

Our people are proud to work for Gleeson

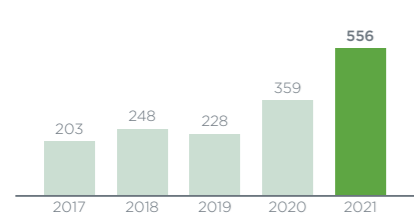
88%  
(2020: 85%)

# Key Performance Indicators

Linkswood Park, Rotherham, South Yorkshire

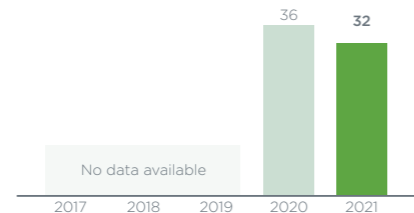
## Sustainability KPIs

Health and safety (AIIR<sup>1</sup>)



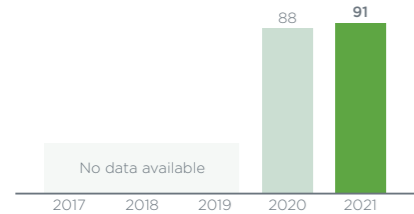
Link to strategy: **5** Link to risk: **9 12**

Staff turnover (%)



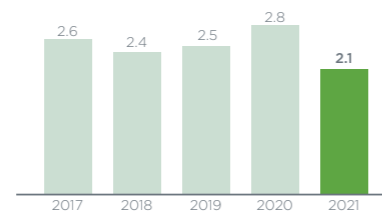
Link to strategy: **5** Link to risk: **7 12**

Customer recommendation score (%)



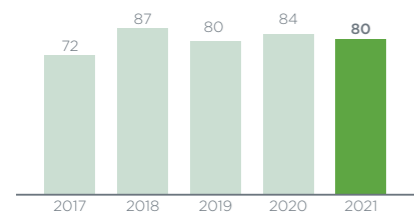
Link to strategy: **2** Link to risk: **6 12**

CO<sub>2</sub>e (scope 1 and 2) tonnes per home sold



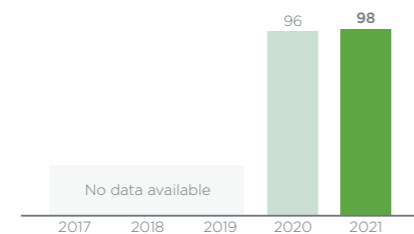
Link to strategy: **4** Link to risk: **11 12**

First time buyers (%)



Link to strategy: **3** Link to risk: **1 2 6 12**

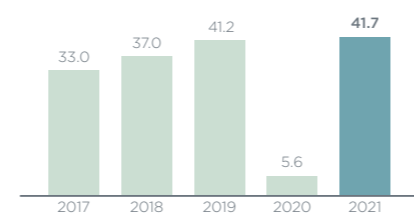
Waste (% of waste diverted from landfill)



Link to strategy: **4** Link to risk: **11 12**

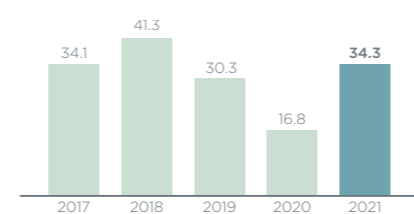
## Financial KPIs

Group profit before tax (£m)



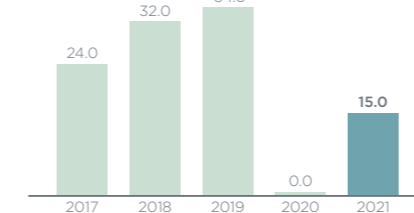
Link to strategy: **1 3** Link to risk: **1 2 3 4 5 10**

Cash net of borrowings (£m)



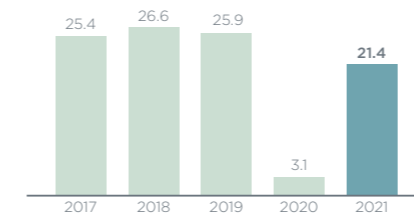
Link to strategy: **1** Link to risk: **1 10**

Total dividend (pence)



Link to strategy: **1** Link to risk: **1 10**

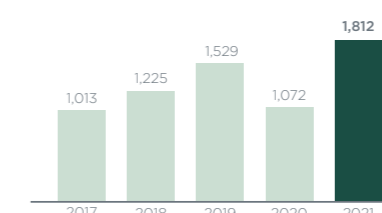
Return on capital employed<sup>2</sup> (%)



Link to strategy: **1** Link to risk: **1 2 3 4 5 10**

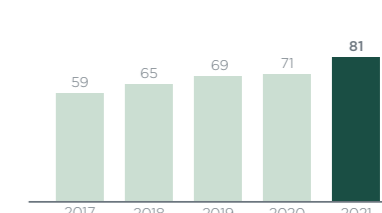
## Operational KPIs

Gleeson Homes Homes sold



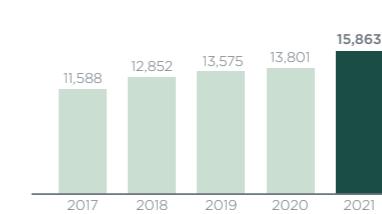
Link to strategy: **1** Link to risk: **1 2 3 4 5**

Gleeson Homes Build sites (year end)



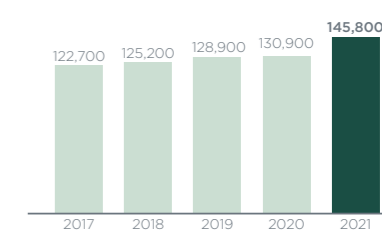
Link to strategy: **1** Link to risk: **1 3 4**

Gleeson Homes Land pipeline (plots)



Link to strategy: **6** Link to risk: **1 3 4**

Average selling price (£)



Link to strategy: **3** Link to risk: **1 2 3 5 12**

1. Accident Injury Incidence Rate measured as the number of reportable incidents per 100,000 employees and on-site subcontractors.

2. Return on capital employed is calculated based on earnings before interest and tax ("EBIT") from continuing and discontinued operations, expressed as a percentage of the average of opening and closing net assets after deducting deferred tax and cash net of borrowings.

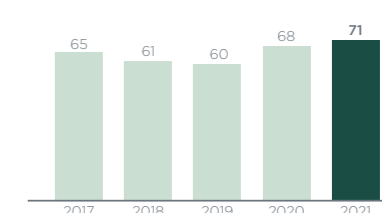
### Strategy

- 1 Sustainable growth**
- 2 Build quality**
- 3 Affordability**
- 4 Climate change**
- 5 People, wellbeing, health and safety**
- 6 Land**

### Risks

- 1 Economic environment**
- 2 Mortgage availability**
- 3 Land availability**
- 4 Government policy and regulations**
- 5 Build costs and availability**
- 6 Build quality and customer service**
- 7 People**
- 8 Cyber and IT systems**
- 9 Health and safety**
- 10 Financial control**
- 11 Climate risk**
- 12 Sustainability**

Gleeson Land Portfolio (sites)



Link to strategy: **6** Link to risk: **1 3 4**

# Material Sustainability Issues

## Our materiality process

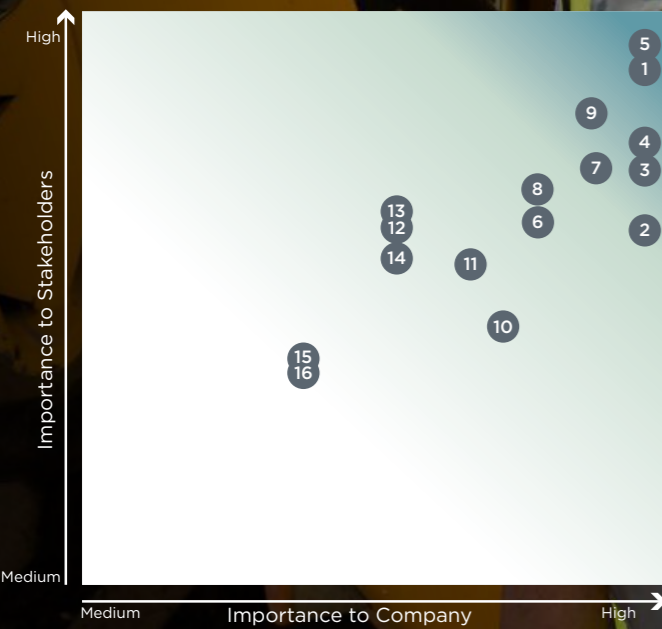
This year the Group undertook a detailed materiality assessment to identify the environmental, social and economic issues most important to the Group and its stakeholders.

This assessment considered a wide range of factors, including the Group's strategic priorities, principal risks, stakeholder views, market trends, socio-economic changes, environmental factors, government policy and other matters. It also reflects the UN Sustainable Development Goals relevant to the Group, as set out on page 13.

The purpose of this assessment has been to help develop both the Group's sustainable business strategy, which can be found on page 6, and the Group's sustainability reporting to stakeholders.

## Materiality matrix

The materiality matrix reflects the relative importance to the Group and its stakeholders of the 16 sustainability issues identified. Our stakeholders' assessment of materiality is broadly aligned with the Company's own assessment.



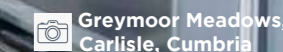
- 1 Health and safety
- 2 Land
- 3 Affordability
- 4 Carbon emissions
- 5 Build quality
- 6 Planning and government policy
- 7 Customer satisfaction
- 8 Employee engagement
- 9 Corporate governance
- 10 Wellbeing
- 11 Training and skills
- 12 Waste recycling
- 13 Sustainable materials
- 14 Equality
- 15 Biodiversity
- 16 Water usage

- 1** Identify material issues  
 We identified 16 sustainability issues relevant to the Group. Based on an internal assessment, these were then ranked in terms of relevant importance to the Company.
- 2** Stakeholder engagement  
 Stakeholders including shareholders, customers, employees, banks and local authorities were asked to share their views and rank the 16 material sustainability issues. Interviews were also held with selected stakeholders.
- 3** Prioritisation and selection  
 Based on our assessment and findings from the stakeholder engagement process, five sustainability issues were identified as most material to the Group.
- 4** Integration  
 The five most material sustainability issues form part of the Group's sustainable business strategy and strategic priorities, approved by the Sustainability Committee and the Board.
- 5** Review  
 The importance and relevance of the five most material sustainability issues will be adjusted as necessary in response to future changes and stakeholder views.

|                          | What are the risks?  | Where do we see opportunities?  |
|--------------------------|--|---|
| <b>Affordability</b>     | Affordability is the number one reason why our customers buy a Gleeson home. If we do not ensure our homes remain affordable it would impact on our business model and our ability to sell new homes to those who need them most, predominantly first time buyers and low-income families. This could impact our brand and lead to a loss of sales as customers look elsewhere.  | The need for affordable housing across the UK continues to grow, which supports our unique model and sustainable business strategy. We have a significant opportunity to open more sites and expand our geographical reach to provide more people with access to safe, affordable, high-quality homes.  |
| <b>Build quality</b>     | Our customers expect a high-quality product from us. If we fail to build homes that meet their expectations then it could result in defect claims, damage to brand reputation and poor sales.  | Through our absolute focus on quality and regular inspection processes, we are able to reduce the number of defects and any rectification work required. We see opportunity in continuing to operate as a 5-star housebuilder across all sites and providing a high-quality product and service to our customers.   |
| <b>Health and safety</b> | Health and safety is a priority across our business and unsafe working practices, policies or procedures could result in harm to employees, subcontractors or site visitors, causing personal injury, delays in construction, additional cost, reputational damage and potentially criminal prosecution or civil litigation.   | Through enhancing our health and safety monitoring and reporting, we will use this information to tackle areas that pose the highest health and safety risks. We have the opportunity to improve our health and safety performance and statistics and have identified a number of actions as set out on page 12.  |
| <b>Land</b>              | Land is a fundamental component of our business and the risk of new sites not being available to acquire at a low cost and in areas in need of regeneration could impact the success of the Gleeson Homes' model and its ability to open new sites.  | Through continued focus on low-cost land opportunities in areas often not viable for other housebuilders, we keep our land costs low and ensure that our homes remain affordable. We see continued low-cost land opportunities in our target geographical areas.  |
| <b>Carbon emissions</b>  | The availability of high-quality, well-located land in the South of England is also fundamental to the success of Gleeson Land, without which future sales would be restricted.  | We have pro-active land searching capabilities and continue to identify new land opportunities across the South of England for promotion by Gleeson Land.   |
|                          | Like all companies, we have a role to play in addressing climate change. If we do not act to reduce our carbon emissions, this could result in damage to the environment from our operations, being out of line with other housebuilders and stakeholder expectations, being unable to meet government policy requirements, reputational damage, and increased costs of capital. | Integrating carbon emissions tracking and reporting throughout our business enables actions to be taken on areas that generate the most emissions. There is opportunity to extend this both upstream and downstream for our scope 3 emissions and to improve the data collected. Through the design of our homes and adapting our build processes we can reduce our carbon footprint. Further actions are set out on page 12. |

Lisa, Assistant Site Manager, Dane Park, Hull, East Yorkshire

# Our Sustainable Business Strategy



Our sustainable business strategy incorporates the Group's strategic objective for growth, together with the environmental, social and governance priorities that are most important to the Group.

Each strategic priority has a link to the UN SDGs that are relevant to the Group as set out on page 13. It is through the achievement of these strategic priorities and targets that the Group creates sustainable value for stakeholders and society.

| Strategic priorities      | Objectives  | Targets   | Progress  | Link to UN SDGs   |
|---------------------------|---|---|---|---|
| <b>Sustainable growth</b> | Increase the number of new homes built and extend our geographical reach.   | To build 2,000 new homes per year by 2022.  | <p>We have a robust platform for continued growth with a strengthened regional management structure. Our site opening plan underpins future growth.</p> <p>We are on track to deliver 2,000 units in the next financial year, achieving our 5-year target to double volume.</p>   | <p>UN SDG 11 – By increasing the number of new homes built we are able to provide access to safe, affordable homes for more people who need them.</p> <p>UN SDG 8 – As our business grows, we will provide investment, job opportunities, training and skills to more people including apprentices.</p> |
| <b>Build quality</b>      | Build high-quality, energy-efficient homes to the specification that our customers require.   | To be a 5-star housebuilder on all our development sites.   | Our customer recommendation score is 90.6%. This meets our target and puts us in line with the Home Builders Federation five-star rating.   | UN SDG 11 – Our mission is to build high-quality homes that provide safe and affordable housing to the people who need them most.   |
| <b>Affordability</b>      | Keep our homes affordable through managing build costs, sourcing responsibly and building efficiently, utilising local suppliers and subcontractors where possible. | To ensure that a couple in full-time employment on the National Living Wage can afford to buy a home on every one of our development sites. | A couple working full time on the government's National Living Wage can afford a home on 100% of our active sales sites.  | UN SDG 11 – The cost of buying a Gleeson home is less than renting for most buyers and can be as low as £59 per week. This supports target 1 of UN SDG 11 by providing access to affordable housing.  |
| <b>Climate change</b>     | Protect the environment and reduce carbon emissions for the homes that we build and sell.   | To reduce our scope 1 and 2 carbon emissions by 30% to less than 1.75 tonnes per home within three years (2020: base year).                 | <p>Our scope 1 and 2 carbon emissions per home sold reduced by 18% in the year.</p> <p>This year we have published our scope 3 emissions and intend to set a target to reduce these per home sold.</p> <p>We have established new sustainability policies for Climate and the Environment, Procurement, Packaging, Timber and Waste Management.</p> <p>98% of our construction waste is currently diverted from landfill.</p> | <p>UN SDG 13 – We have set targets to reduce carbon emissions per home sold.</p> <p>UN SDG 12 – We have committed to increasing the proportion of waste diverted from landfill. We are developing further initiatives to reduce our impact on the environment, including fuel and water usage.</p>      |

| Strategic priorities                        | Objectives   | Targets   | Progress  | Link to UN SDGs  |
|---|--|---|---|--|
| <b>People, wellbeing, health and safety</b> | <p>"Safety first, always".</p> <p>Everyone who is involved with, or affected by, our business remains free from harm and returns home safe every day.</p> <p>To attract, retain and develop employees who share the values, culture and objectives of the Group.</p> | <p>To reduce our health and safety incident rate ("AIIR") to lower than the industry average.</p> <p>To maintain our employee engagement score in the upper quartile of all surveyed companies.</p> | <p>Our AIIR rate for the year to 30 June 2021 was 556 versus the industry average of 264. We have not met our target this year, see page 11 for more details.</p> <p>In our latest engagement survey we scored 89% which puts us in the top quartile of all companies from an independent survey.</p> | <p>UN SDG 8 – Our HomeSafe approach reflects our belief that everyone who is involved in, or affected by, our development work has the right to remain free from harm and return home safe every day.</p> <p>UN SDG 5 – We are committed to ensuring that all of our employees are treated fairly and equitably.</p> |
| <b>Land Gleeson Homes</b>                   | To sustainably grow our land pipeline, sourcing land in areas that are in need of regeneration where homes can be built for sale at low cost.  | To acquire land at an average cost per plot below 15% of expected selling price in order to keep our homes affordable, targeting land in areas of deprivation and in need of regeneration.          | 64% of our active build sites are on brownfield land, with four out of five in the most economic deprived areas in England. We often choose sites which are not viable for other housebuilders.   | UN SDG 15 – Our developments are located in areas where there is a need for regeneration; typically brownfield sites that would otherwise remain derelict or unused. We invest in our sites, creating attractive and well-planned developments with green space and biodiversity.                                    |
| <b>Land Gleeson Land</b>                    | To source high-quality sites that are well located to deliver attractive residential planning consents for sustainable development.  | To obtain more planning permissions in each financial year than sites sold.   | We acquired a further ten sites this year with the portfolio increasing by a net three sites. The total portfolio is 71 sites, with six having the benefit of planning consent or resolution to grant.  | UN SDG 15 – Gleeson Land invests in its portfolio and works closely with landowners, land agents, local authorities and communities to secure residential planning consents that are sustainable and sensitive to local ecosystems and biodiversity.   |

# Communities

**Gleeson Homes has a clear mission:**

Changing lives by building affordable, quality homes. Where they are needed, for those that need them most.



Frankie and Libby, Carrwood Park, Bradford, West Yorkshire

## Affordable home ownership

Buying a Gleeson home is cheaper than renting an equivalent house. We build homes in areas where prices are lower and where land costs are low, using traditional building methods and standard house designs so we can sell at affordable prices.

### Cost of owning and renting (£/month)

|                 | Number of bedrooms |     |     |
|-----------------|--------------------|-----|-----|
|                 | 2                  | 3   | 4   |
| Cost of buying  | 258                | 327 | 422 |
| Cost of renting | 537                | 628 | 923 |

Mortgage payments: Standard 75% Help to Buy, 35 year repayment mortgage, fixed payments for the first five years, from a High Street bank. Mortgage payments based on average selling prices during the year.

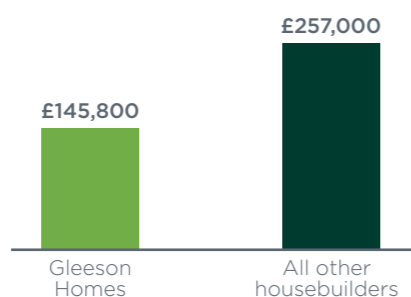
Rental payments: ONS average private rental costs for a house in the North of England and Midlands.

## Creating communities for young people

A young couple earning the National Living Wage, working full time, can afford to buy a Gleeson home on any one of our developments. We are proud to be able to say this and it is a key test of affordability for every site we buy.

The average cost of a Gleeson home in 2021 was £145,800. This is 43% lower than the average cost of all other new build houses in the North of England and Midlands.

### New build selling prices in the North of England and Midlands



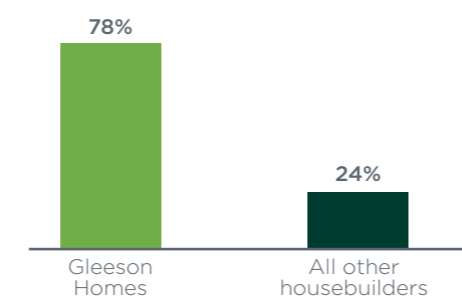
Source: ONS housing market simple average house prices by new dwellings by region.

## High quality homes, where they are needed

We build high-quality homes with a front and rear garden and a driveway for parking. We build where people want to live, in the community they grew up in, close to their families, on sites with good transport links and close to areas of employment. All our homes come with a 2-year Gleeson warranty and a 10-year NHBC Build Mark Warranty or similar.

We build in areas of deprivation, in need of regeneration, often where other housebuilders choose to ignore. Four out of five of our active build sites are in the third most deprived areas of the country.

### Housebuilder sales in deprived areas



Source: Land Registry, Indices of Multiple Deprivation gov.uk.

## For those that need them

We build homes that young, first time buyers on low incomes can afford. We provide additional benefits to key workers, which includes 48-hour priority access on new releases, exclusive preview appointments and viewings plus £1,000 to spend on our Options Range\*.



This year, we launched our partnership with Forces Property Direct to help British military personnel get onto the property ladder providing the same benefits as key workers.



\* These offers may change but were accurate at the date of the Annual Report; terms and conditions along with the current offers can be found at [www.gleesonhomes.co.uk/key-workers](http://www.gleesonhomes.co.uk/key-workers)

## 5-star build and service

We believe that low cost should not mean low quality or poor service.

We use third-party inspectors to undertake additional, independent quality checks throughout the build process.

We engage a third-party survey company to undertake independent surveys of all our customers. 90.6% of our customers recommended Gleeson, equivalent to a 5-star rating for housebuilder.

We provide all of our customers with access to MyGleeson, a customer care portal, and have local customer care teams that deal promptly with any issues.

The Gleeson Quality Charter is our commitment to a quality home and quality service all the way through the buying journey and beyond.



## Supporting our communities - "Community Matters"

We involve ourselves actively in the communities in which we are building, before and during the construction of our developments and by leaving a legacy once our work is complete. The following are just some of the ways we help local communities.

Our Gleeson Community Sports and Charity Foundation provides funding for local charities, sports clubs and teams. So far we have sponsored over 100 clubs and teams including netball, football, rugby, tennis, cricket, athletics, ice hockey and boxing.



Our Schools Programme encourages children from local schools to "Street Naming" competitions and "Design a Bedroom" competitions for our new developments, and we arrange site visits for children to learn about house building.

We hold an annual "Blooming Great Garden Competition" across our sites for Gleeson homeowners to show off their gardens, which encourages a strong sense of pride in their homes and communities.

## Paying our fair share

Gleeson was proud to be the first housebuilder to be accredited by the Fair Tax Foundation for our commitment to responsible tax conduct and transparency.

We are proud to pay the right amount of tax in the right place at the right time.

Profitable companies should pay their fair share of tax and be honest and

transparent in their disclosure; it says a lot about their values, integrity and ability to trade in a sustainable way.



## Gleeson customers:

- 80% first time buyers
- 2 out of 3 are key workers
- 77% aged 35 years or younger
- 51% sold to single buyers
- £23,000 median income

## What we don't do:

- We don't build flats
- We don't sell leasehold
- We don't do part-exchange
- We don't sell to investors





# People

Achieving our goals relies on having people in the right roles, with the right training and development, who share in our vision, mission and values.

By investing in the development of our colleagues, we are living up to our vision of “Building Homes. Changing Lives.” for both our customers and our people.



Kay, Sales Manager, Yorkshire South and West

## Apprentices

Investing in our people from the start of their career is important to us, which is why we have an active apprenticeship programme across the business; we currently have 70 apprentices – approximately 10% of our total workforce – training in a variety of office and site-based roles.

Our apprentices get an average of two years on-the-job training and an NVQ (or equivalent). In many cases, they stay on with us for further training or move into permanent roles.

In March 2021, we held the second annual Gleeson Apprenticeship Week for our current and potential future apprentices. The Gleeson Apprenticeship Week included career conversations with our existing apprentices, recognition through the Apprentice Awards, and hosting virtual events for prospective apprentices. We received over 2,000 applications for our apprenticeship roles for the upcoming year and will continue to expand this programme as the business grows.

## Investors in People

In November 2020, we became fully accredited by Investors in People, demonstrating our commitment to providing an environment where we actively attract, retain, and promote the best people. We were assessed

against nine categories within the framework of “Leading”, “Supporting” and “Improving” our people based on research into what makes a company succeed in the long term, and trends in how successful companies lead and support their people. We were primarily assessed through interviews with our employees and the feedback we received was highly encouraging. It also provided valuable insights into the areas where we need to continue to focus.

## Mental health

With training led by our mental health and wellbeing training provider, Resilient People, we provided mental health first aid courses this year to a further 13 employees. These employees are trained to recognise the symptoms of mental health issues, offer support to colleagues and assist when a mental health crisis arises. We now have over 30 Mental Health First Aiders across the business, with more training sessions planned.

## STAR awards

Our STAR awards are a way to praise employees for their commitment, drive and willingness to work above and beyond expectations. Colleagues can nominate one another on a monthly basis and the winners are recognised in our weekly newsletter and win prizes!

## Gender pay and diversity

We believe that everyone should be paid fairly, regardless of their gender. We pay equally for doing the same job and encourage women to apply for roles at all levels.

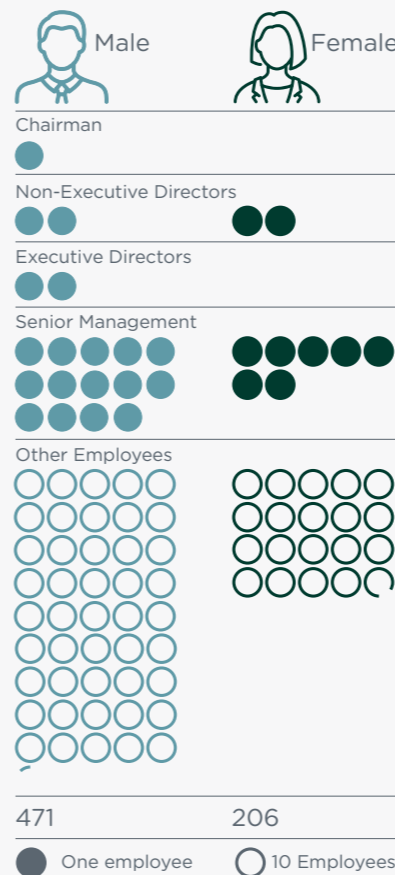
We do not discriminate based on gender and have a 43% median pay gap in favour of women. Women occupy 14% of our highest-paid jobs and 14% of our lowest-paid jobs.

We have also improved the gender diversity of our Board, with two female Non-Executive Directors along with Leanne Johnson, our Company Secretary.

Gender balance and equality are high on our agenda. Our internal recruitment team are always seeking ways to improve gender balance, including on our sites. We participate in Women in Construction and Women in Property events to help us gain insights on how to encourage more women into the industry. We continue to look at roles and review how our succession planning programme fits with these roles in regard to gender balance.

We also review all of our job descriptions to make sure that these remain fully inclusive.

### Gender breakdown



## @Home

Our weekly newsletter, @Home, is the most direct and frequent method of communication between the Chief Executive and all employees. It is used to keep people up-to-date with the latest developments across the business including customer service stories, health and safety matters, people recognition, successes from across the business and more. @Home contains stories that focus on our people, as well as stories about our customers and how we are changing lives every day.

## Roadshows

In early 2020, the Executive Directors and senior management launched the all-company “roadshows” with the team travelling to each division to communicate key messages and updates and give staff the opportunity to ask questions. The roadshows received such high praise in the employee engagement survey that they have now become a recurring annual fixture in the calendar. This year the Gleeson Employee Virtual Roadshow was held via Zoom due to Covid-19 restrictions, giving each of our employees the opportunity to watch live and interact through “breakout rooms” for each department. Feedback on the virtual sessions was very positive, and we will continue to assess the best way to deliver the roadshows in the coming year.

## Investment in training and development

A key factor in making sure we have skilled people in the right roles is through the training we provide. A dedicated Training Manager ensures that the right training is provided to the right people across the business.

During the year, we also partnered with a third party to provide our people with essential training on topics such as health and safety, modern slavery, anti-money laundering, GDPR and cyber security, as well as job-specific training. These online sessions mean that all of our employees can access them regardless of when they start and we can roll-out regular updates as needed.

We have also refreshed our annual personal development review process to remove ratings and instead focus on meaningful conversations with our colleagues. The introduction of a half-year “check-in” reinforces the message that development is ongoing, not just something to be reviewed annually.



# Environment

Zena and Adrianna, Kings Park, Doncaster, South Yorkshire

## Carbon emissions

The built environment contributes around 40% of the UK's total carbon emissions, with around half of this being from "in-use" sources such as heating, lighting, cooking and running appliances<sup>1</sup>. This has reduced over the years as the UK moves towards decarbonising the electricity grid, with total in-use emissions having reduced by about a fifth since 1990 despite there being approximately a quarter more homes.<sup>2</sup>

This will continue with the government's Future Homes Standard, with the first of these changes to Part L and Part F of the Building Regulations setting new energy and ventilation requirements from 2025.

These changes will improve the energy performance of new homes, with homes being highly energy efficient, with low carbon heating and zero carbon ready by 2025.

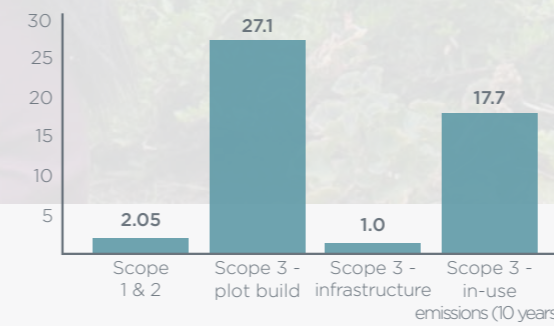
We recognise the impact that the built environment has on carbon emissions, both from the construction of new homes and in-use emissions. We are working hard to reduce our carbon footprint and this strategic priority is part of our sustainable business strategy, which can be found on page 6.

1. Source: UK Green Building Council.
2. Source: UK government press release - Rigorous new targets for green building revolution (January 2021).

## Reducing our emissions

We have already made substantial progress towards our published target of reducing our scope 1 and 2 emissions to less than 2.00 tonnes per home by 2023. Our direct emissions this year were 2.05 tonnes per home and, as a result, we have set a new CO<sub>2</sub>e reduction target of less than 1.75 tonnes per home by 2023. Our actions to achieve this are set out on page 12.

### Scope 1, 2 and 3 emissions per home sold (CO<sub>2</sub>e tonnes)



Source: Refer to methodology on page 10. The chart includes in-use emissions for a 10 year period for reference.

Our scope 3 emissions are currently based on estimates and industry data. In order to improve the accuracy of our scope 3 emissions, we plan to:

- engage with our supply chain to obtain Environment Product Declarations ("EPDs") which disclose the actual carbon intensity of materials so that we can improve the accuracy of reporting;
- include embodied carbon intensity considerations into our sustainable procurement processes;
- require key material suppliers to provide their environmental impact and carbon reduction plans, with these factors being considered in our procurement decisions;
- engage with our customers to obtain actual energy usage data to improve the accuracy of our "in-use" emissions data; and
- use this information to continue to review the design and specification of our homes to ensure they become more energy efficient, enabling our customers to live a sustainable lifestyle in their new home.

As we enhance the accuracy and understanding of our scope 3 emissions data, we will be developing our scope 3 carbon reduction strategy over the coming year.

## In-use emissions

Whilst the carbon emissions from housebuilding are clearly significant at 30 tonnes per home sold, the emissions from homes in-use, even over 10 years, contributes a further 17.7 tonnes of carbon emissions.

We are looking at ways to reduce the in-use emissions for our customers through heating and energy efficiency.

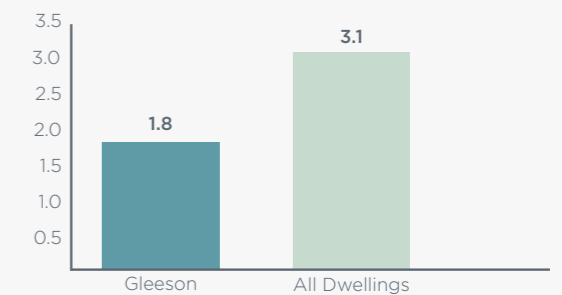
### Heating

We welcome the government's ambition to achieve zero carbon homes. We are currently progressing trials of air-source heat pumps and third-party analysis shows that the benefit of this technology alone, excluding further decarbonisation of the UK electricity grid, would reduce in-use carbon emissions of the homes that we sold this year by 50% over ten years. This represents a transformative change to the way in which our homes will be heated in future and the level of carbon emissions they produce.

### Energy efficiency

We pride ourselves in building high-quality, affordable homes that are energy efficient. 98.2% of our homes achieve an energy performance rating of B or above compared to the house building industry average of 85%. When compared to all other new and existing dwellings, this means that a Gleeson home produces 42% lower carbon emissions due to its higher energy efficiency.

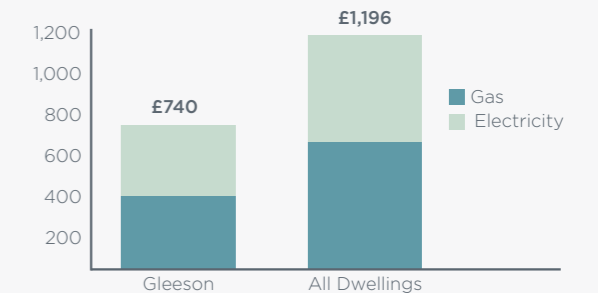
### Annual emissions to heat and power a home (CO<sub>2</sub>e tonnes)



Source: Based on actual energy data from customers and EB7 - Live tables on Energy Performance of Buildings Certificates (gov.uk).

This allows us to play our part in helping our customers live sustainable lifestyles in their new homes, saving on average £450 per year against the energy costs of an existing dwelling.

### Annual cost to heat and power a home



## The carbon cost of building a home

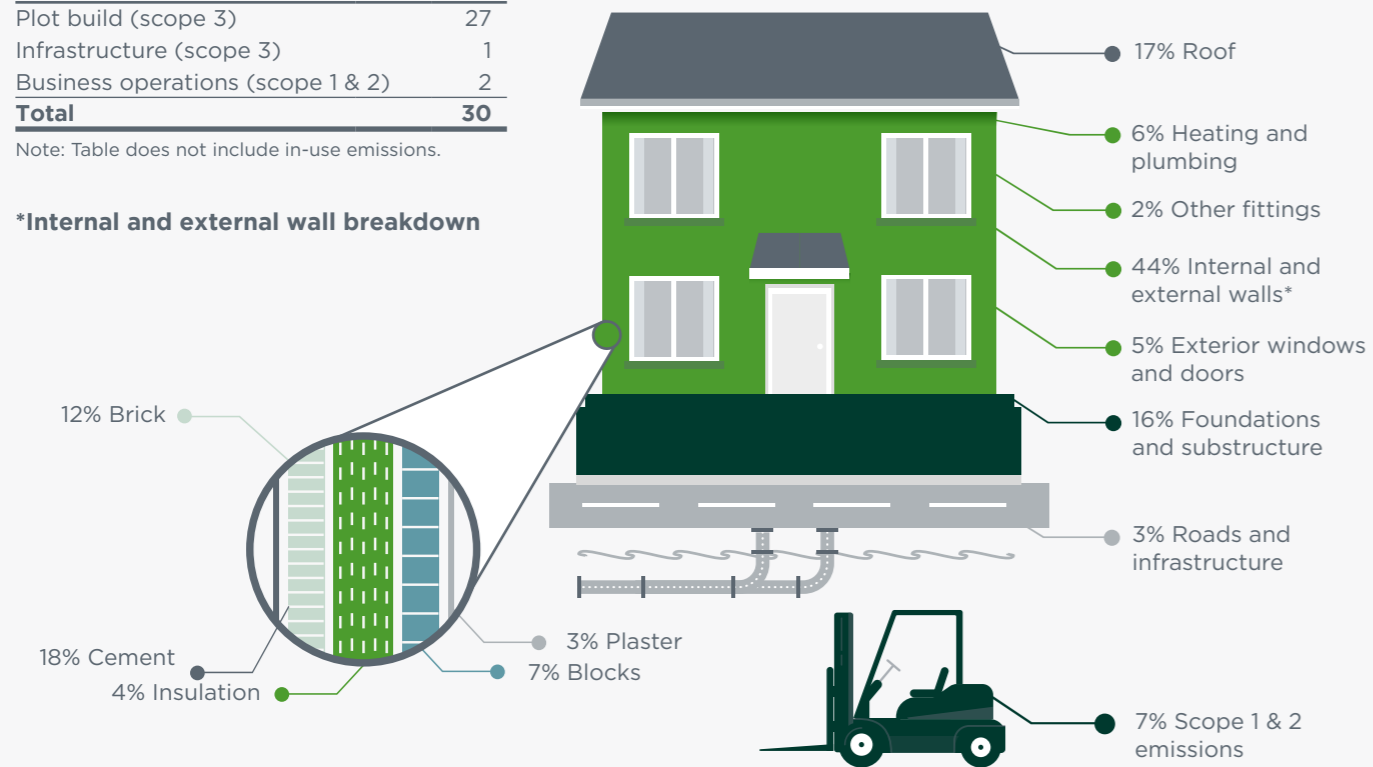
Gleeson and its supply chain emit 30 tonnes of CO<sub>2</sub>e for every home built.

### CO<sub>2</sub>e emissions to build a Gleeson home

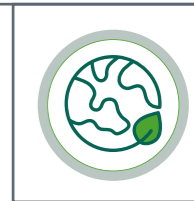
|                                   | Tonnes of CO <sub>2</sub> e |
|-----------------------------------|-----------------------------|
| Plot build (scope 3)              | 27                          |
| Infrastructure (scope 3)          | 1                           |
| Business operations (scope 1 & 2) | 2                           |
| <b>Total</b>                      | <b>30</b>                   |

Note: Table does not include in-use emissions.

### \*Internal and external wall breakdown



Whilst this is a significant amount of carbon emissions per home, understanding the composition of the embodied carbon in our homes is key to the next stage of our carbon reduction strategy.



# Environment

Continued

## Our scope 1 and 2 emissions in detail

The table below shows the energy usage and carbon emissions for the Group in line with the Streamlined Energy and Carbon Reporting (“SECR”) requirements. All energy usage and carbon emissions originate in the UK. Our carbon emissions are calculated in accordance with the requirements of the Greenhouse Gas Protocol – a Corporate Accounting and Reporting Standard.

|                              | 2021                        |                     | 2020                        |                     | 2019                        |                     |
|------------------------------|-----------------------------|---------------------|-----------------------------|---------------------|-----------------------------|---------------------|
|                              | Tonnes of CO <sub>2</sub> e | Global energy usage | Tonnes of CO <sub>2</sub> e | Global energy usage | Tonnes of CO <sub>2</sub> e | Global energy usage |
| Scope 1 and 2                |                             |                     |                             |                     |                             |                     |
| Car fuel                     | 490                         | 203,871 Litres      | 427                         | 176,650 Litres      | 587                         | 236,090 Litres      |
| Gas                          | 479                         | 2,615,295 kWh       | 149                         | 810,795 kWh         | 213                         | 1,156,808 kWh       |
| Liquid Petroleum Gas (“LPG”) | 84                          | 392,472 kWh         | 45                          | 210,968 kWh         | 60                          | 278,317 kWh         |
| Gas oil/diesel               | 2,288                       | 829,440 Litres      | 2,071                       | 750,974 Litres      | 2,499                       | 905,937 Litres      |
| HVO/biodiesel                | 0.25                        | 1,500 Litres        | -                           | -                   | -                           | -                   |
| Electricity                  | 380                         | 1,788,610 kWh       | 331                         | 1,420,709 kWh       | 397                         | 1,552,443 kWh       |
| Total scope 1 and 2          | 3,721                       |                     | 3,024                       |                     | 3,755                       |                     |
| Per home sold                | 2.05                        |                     | 2.82 <sup>2</sup>           |                     | 2.46                        |                     |

## Scope analysis

|  | 2021 tonnes of CO <sub>2</sub> e | 2020 tonnes of CO <sub>2</sub> e | 2019 tonnes of CO <sub>2</sub> e |
|--|----------------------------------|----------------------------------|----------------------------------|
| Scope 1 and 2                              |                                  |                                  |                                  |
| Scope 1 – Burnt fuels                      | 3,341                            | 2,692                            | 3,358                            |
| Scope 2 – Electricity                      |                                  |                                  |                                  |
| Scope 2 – Location-based                   | 380                              | 331                              | 397                              |
| Scope 2 – Market-based <sup>1</sup>        | 196                              | 331                              | 397                              |
| Per home sold (Location-based)             | 2.05                             | 2.82 <sup>2</sup>                | 2.46                             |
| Per home sold (Market-based <sup>1</sup> ) | 1.95                             | 2.82 <sup>2</sup>                | 2.46                             |

- The Group reports location-based and market-based scope 2 electricity data. Market-based data is based on the emissions from electricity purchased by the Group. Location-based uses the average emissions intensity of the UK electricity grid. Purchased renewable sources of electricity used on our sites is supported by Renewable Energy Guarantees of Origin (“REGO”) certificates.
- Removing the impact of Covid-19 gives an adjusted carbon intensity reference of 2.50 tonnes per home sold for 2020.

## Divisional analysis

|                       | Gleeson Homes tonnes of CO <sub>2</sub> e | Gleeson Land tonnes of CO <sub>2</sub> e |
|-----------------------|---|--|
| Scope 1 and 2 (2021)  |   |  |
| Scope 1 – Burnt Fuels | 3,327                                     | 14                                       |
| Scope 2 – Electricity | 369                                       | 11                                       |
| <b>Total</b>          | <b>3,696</b>                              | <b>25</b>                                |

### Scope 1 and 2 methodology

The Group reports the sources of material greenhouse gas emissions from its main activities, categorised as scope 1 and 2. Scope 1 comprises direct emissions from sources purchased and used by the Group, such as diesel, natural gas and liquid petroleum gas on sites and in our offices. Scope 2 comprises emissions associated with the consumption of energy from purchased electricity.

Our largest carbon emitting fuel is diesel, which is used by forklift trucks, generators, plant and machinery. Emissions are calculated using the volume of litres purchased during the year and multiplying by the applicable conversion factor to convert into CO<sub>2</sub> equivalent.

Our second largest carbon emitting fuel is petrol and diesel for business car mileage. This is calculated by taking the total spend on fuel, compared against business mileage submissions. An average miles per gallon is used to calculate the volume of fuel burnt for business mileage. This is multiplied against a standard conversion factor to convert this into CO<sub>2</sub> equivalent.

Due to the disruption to office-based working caused by the Covid-19 pandemic during the year, the additional gas and electricity consumption associated with our office-based employees working remotely has been estimated. This is based on estimated data and extrapolated for the proportion of employees working remotely.

### Our scope 3 emissions in detail

Scope 1 and 2 emissions are only part of the equation, and the upstream and downstream emissions as a result of our operations are significant. Scope 3 includes the emissions generated by our supply chain in the services and materials that we purchase, the construction processes that we subcontract, and the in-use emissions of our homes.

This year, we have worked with external consultants to assist us with calculating our embodied scope 3 emissions

for each home that we build and sell. This is set out below, on a single-year basis and over a nominal life of 60 years.

| Scope 3 (2021)                   | Tonnes of CO <sub>2</sub> e |
|----------------------------------|-----------------------------|
| Plot build                       | 49,110                      |
| Infrastructure                   | 1,741                       |
| Total scope 3 (excluding in-use) | 50,852                      |
| Per home sold                    | 28.1                        |
| In-use emissions (60 yrs)        | 194,292                     |
| Total scope 3 (including in-use) | 245,143                     |
| Per home sold                    | 135.3                       |

### Scope 3 methodology

For emissions from plot build, all of the materials used for each house type plus emissions from construction work (including infrastructure such as roads and sewers) on site, transport, replacements, and end-of-life was used to estimate the embodied carbon emissions.

This calculation was carried out for our most common house types, collectively accounting for 91.4% of total 2021 homes sold. An estimate was used for the remaining house types to give the total annual emissions from house building.

For in-use emissions, actual energy spend data from customers was converted to energy consumption and carbon emissions, then projected forward (assuming broadly stable energy usage) to arrive at a 60-year in-use carbon emissions total for each house type.

## Environment

### Natural resources

#### Land

Our developments are located in areas where there is a need for regeneration; typically in areas of deprivation and on brownfield sites that would otherwise remain derelict or unused. Four out of five of our homes sold are in the third most deprived areas of the country and 77% of the homes sold were on brownfield land.

We invest in our sites, creating attractive and well-planned developments with green open space and access to local facilities. We continue to purchase land in areas that are in need of regeneration, but with good transport links and access to local facilities and employment. Page 16 sets out an example of the brownfield land remediation that we undertake.

#### Water stress

We typically acquire sites and build in areas of relatively low water stress, being located in the North of England and Midlands. For the year to 30 June 2021, 6% of the homes sold were in areas of high water stress. In total, less than one in five plots in the Gleeson Homes land pipeline is classified as being in an area of high water stress.

#### Water usage

This year, we have estimated our water consumption for sites and offices. We are currently developing a water strategy to reduce our reliance on mains water supply and

incorporate grey water usage into our operating activities, this includes exploring initiatives such as rainwater harvesting on sites. Our strategy also includes improving the tracking of water consumption across the business with actual usage data, rather than estimates.

| Water consumption                             | 2021   | 2020   |
|---|--------|--------|
| Cubic metres of water consumed                | 78,143 | 66,001 |
| Cubic metres of water consumed per home built | 43     | 62     |
| Cubic metres of water consumed per build site | 1,007  | 973    |

All of our homes are fitted with dual flush toilets, low flow taps and showers and water meters. They are designed to achieve a maximum internal water use of 110 litres per person per day. This is 12% lower than the requirements specified by Building Regulations, saving both a natural resource and our customers on their water bills.

### Sustainable materials

During the year, we launched new policies on sustainable procurement and sustainable packaging to ensure that we are reducing our impact on natural resources.

As part of this:

- we source 99.9% of the timber we use in construction from FSC or PEFC certified sources;
- we are engaging with suppliers to use packaging materials that are recyclable or biodegradable where possible; and
- we will be examining alternative materials to those currently used, where these have lower embodied carbon emissions and can be more easily recycled or reused.

### Waste

During the year, we launched a new sustainable waste management policy. In the year, we diverted 98% (2020: 96%) of construction waste away from landfill either being recycled or converted to energy. We are working with specialist waste management providers to continue to further improve this rate of diversion from landfill with the aim of achieving 100%.

During the year, our construction waste amounted to 13,511 tonnes, a waste intensity of 7.5 tonnes per home sold. As part of the measures being taken on sustainable procurement, packaging and waste management, we are working to reduce this figure.

### Biodiversity

It is expected that the government is likely to pass an amendment to the Environment Bill that will increase the focus on biodiversity as part of the planning process with a requirement for a 10% increase in habitat value for wildlife compared with a pre-development baseline. On many brownfield sites that have rewilded, this can be more challenging than an equivalent greenfield site. However, we are working towards these targets on all future developments and developing our biodiversity strategy.

# Sustainability Targets

## Progress against our 2021 improvement targets

In our Annual Report last year, we set out a number of ambitious sustainability targets. Our progress against these targets and actions is set out below.



**Health and safety incident rate (“AIIR”) will be significantly reduced** OFF TARGET

Our AIIR for the year to 30 June 2021 was 556 (2020: 359). This remains above the industry average of 264 over the same period and was the result of ten reportable incidents involving slips, trips or falls, working from height or use of equipment. This was a disappointing result despite the significant improvements that have been made to safety procedures, systems and training. Each of these incidents have been investigated and improved working practices and procedures put in place to reduce the risk of further incidents. Health and safety remains our highest priority and we continue to promote our HomeSafe philosophy to ensure that a strong health and safety culture is embedded across the Group.

| 2021 actions   | Update  | Result |
|--|---|--------|
| Working-at-height safety systems and practices will be improved on all sites within one year.  | Decking systems are now used on all sites.  | ✓      |
| Site compound and welfare facilities will be improved on all new sites and those with less than one year to completion.              | All new sites and sites with more than 12 months of further build activity have new compounds and welfare facilities.   | ✓      |
| Employee health and safety training will be reviewed, improved and the amount of training per employee increased during the year.    | Full focus on the training log with the training department. This is ongoing but training material has been reviewed and updated.   | ✓      |
| Digital reporting on all accidents, incidents, audits and health and safety metrics will be introduced on all sites within one year. | Internal digital reporting is not yet in place but we have engaged third-party consultants to help develop a digital reporting service.   | ✗      |
| Independent health and safety inspections by the NHBC will be undertaken on all sites.   | All sites independently inspected but the NHBC have ceased doing health and safety inspections. From July 2021, we have engaged a third party to undertake these independent inspections. | ✓      |
| Two new divisional health and safety manager roles will be created.  | These roles have been appointed and a further two trainees added to the Group's health and safety team.   | ✓      |

**Staff turnover will be reduced to at least the industry average or better** ON TARGET

Our staff turnover for the year was 32% versus the industry average of 38% (source: ONS). Our voluntary staff turnover, which excludes redundancy, retirement or fixed-term contracts was 20%. Our independently assessed employee engagement score increased to 89% this year (2020: 88%) and 88% of colleagues (2020: 85%) are proud to say that they work for Gleeson. This shows that good progress has been made on engaging with our people and we believe this will continue to have a direct impact on reducing the level of voluntary staff turnover.

| 2021 actions  | Update   | Result |
|---|--|--------|
| Review and improve the staff recruitment process including search, selection, interview and pre-start onboarding.   | We are taking a more hands-on approach to recruitment with our own in-house team seeking candidates directly rather than relying on external recruitment agencies.   | ✓      |
| Enhance our new starter onboarding process, increase personal development reviews and introduce post-probationary period reviews.   | Our induction process has been updated and includes inductions being delivered to new colleagues, virtually where required, on their start date. Updated templates for personal development reviews have been issued and cascaded across the business.           | ✓      |
| Continue to increase our employee engagement initiatives by conducting regular management roadshows, engagement workshops and improving the frequency of staff communication. | We hosted our first virtual management roadshow which was well received across the business. A new e-learning system was launched in Autumn 2020 and new leadership and management training rolled out for employees in partnership with a third-party provider. | ✓      |

**Customer satisfaction: we will become a 5-star housebuilder within one year** ON TARGET

We achieved an independently assessed customer recommendation score of 90.6% (2020: 88.0%) this year. This equates to the Home Builders Federation (“HBF”) 5-star rating.

| 2021 actions  | Update   | Result |
|---|--|--------|
| We have recently created a dedicated Customer Care team in each region.                     | New customer relationship managers now cover all sites and do independent quality checks.  | ✓      |
| We launched the Gleeson Quality Charter confirming our commitment to customers.             | Customer questionnaires are sent once homes have been completed and customer satisfaction and recommendation scores are recorded and reported to the Executive Directors every month.  | ✓      |
| We will implement additional quality checklists prior to final inspection.                  | Customer relationship managers who are independent to the sales process conduct final quality inspections. Any defects are followed up within 48 hours to ensure rectification prior to handover. Inspection KPIs are reported to the Executive Directors every month. | ✓      |
| We have engaged third-party inspectors to undertake additional, independent quality checks. | NHBC inspections are completed at various stages throughout the build process. From July 2021, third-party inspectors have been engaged to perform additional, independent quality checks.   | ✓      |

**CO<sub>2</sub>e emissions per home sold will be reduced by 20% within three years** ON TARGET

As set out on page 10 our scope 1 and 2 emissions for the year were 2.05 tonnes of CO<sub>2</sub>e per home sold (2020: 2.50 tonnes adjusted<sup>1</sup>, 2.82 tonnes reported).

The reduction to 2.05 tonnes of CO<sub>2</sub>e per home sold this year is an 18% reduction on the adjusted carbon intensity of 2.50 tonnes and puts us well on track. Given the substantial progress made, we have increased our CO<sub>2</sub>e reduction target to 1.75 tonnes per home sold as set out on page 12.

| 2021 actions   | Update  | Result |
|--|---|--------|
| Within one year all of our forklifts will: <ul style="list-style-type: none"> <li>be fitted with auto stop/start functions;</li> <li>lower carbon emitting engines; and</li> <li>include usage tracking to monitor speed and idle time.</li> </ul> | We upgraded 59% of our forklift trucks to the new model by 30 June 2021. A shortage of these higher specification forklift models has resulted in a delay in deploying these across all sites.  | ✗      |
| Reduce the use of diesel generator fuel per site.  | We have enhanced our on-site processes which include: <ul style="list-style-type: none"> <li>relocation of sales activities from cabins to show homes thereby avoiding the use of generators; and</li> <li>reviewed site start up plans to ensure utilities are on site sooner.</li> </ul> This has contributed to a reduction in our diesel usage in comparison to 2019, which was not impacted by Covid-19. | ✓      |
| 100% of electricity used in show homes, sales offices and site cabins will be sourced from zero carbon sources within one year.  | 100% of mains electricity supplied to site was provided by certified renewable sources.   | ✓      |

1. For the purposes of setting a target in 2020, the impact of Covid-19 was removed to give an adjusted carbon intensity reference of 2.50 tonnes per home sold. Therefore, the target set in the prior year was to reduce scope 1 and 2 carbon emissions by 20% to less than 2.00 tonnes per home sold within three years.

# Sustainability Targets

Continued

**What we want to improve:**

**Health and safety**  
Our incident rate (“AIIR”), at 556 per 100,000 employees, has increased and is higher than the industry average reported by the Home Builders Federation.

**Staff engagement**  
We want all our colleagues to be happy, motivated and engaged with the values and strategy of the business.

**Customer satisfaction**  
We want to continue improving our build quality and the customer journey.

**Carbon emissions**  
Our scope 1 and 2 emissions have reduced significantly but remain higher than some other housebuilders.




 Derek, Site Worker, Greencroft View, County Durham

## Our new sustainability targets

|   |   |   |   |
|---|---|---|---|
| <p>Health and safety incident rate (“AIIR”) will be reduced to the industry standard or lower in the year</p>   | <p>Our employee engagement will be maintained in the upper quartile of all companies during 2021/22</p>   | <p>Customer satisfaction: we will maintain our 5-star<sup>1</sup> status throughout 2021/22</p>   | <p>Climate: CO<sub>2</sub>e target reduction increased from 20% (2.0 tonnes) to 30% (1.75 tonnes) by 2023</p>   |
| <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>• Introduce independent unannounced safety inspections on every active build site at least once per month.</li> <li>• Launch a Training and Development Passport that will be mandatory for all apprentices.</li> <li>• Enhance working-at-height procedures through additional training for all site management and enhanced working practices.</li> <li>• Provide bi-annual supply chain and subcontractor HomeSafe workshops focusing on health and safety.</li> <li>• Deliver a company-wide campaign focusing on slips, trips and falls and manual handling for all employees.</li> <li>• Enhance tracking and reporting of near misses across the business and raise awareness.</li> <li>• Assess feasibility and implement digital recording of personnel on all sites.</li> </ul> | <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>• Enhance communication across the Group including online forums, regional roadshows and company-wide communications.</li> <li>• Launch employee wellbeing “toolkit” which will give all of our employees the resources to obtain relevant support.</li> <li>• Further develop the apprenticeship programme to broaden skills and retain talent.</li> <li>• Enhance our recognition schemes to incorporate Company values and improve on-site participation.</li> </ul> | <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>• Roll out of a “Customer First” campaign across all developments.</li> <li>• 100% quality inspections to be achieved within 48 hours of obtaining CML (Certificate for Mortgage Lending).</li> <li>• Improve Customer Care systems and reporting to integrate all elements of inspections, defect management and customer care.</li> <li>• Engage and provide training to third-party subcontractors and suppliers on our “Customer First” requirements.</li> </ul> <p>1. This is 90% or above customer recommendation score as polled by an independent survey company, which is equivalent to the HBF 5-star rating.</p> | <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>• All forklift trucks to be upgraded to the newer models within one year.</li> <li>• Complete our eco-cabin trial and, if successful, roll out across all new sites.</li> <li>• Complete our biodiesel trial and, if successful, roll out across sites.</li> <li>• Review energy efficiency measures in each of our offices.</li> <li>• Ensure electricity purchased for sites continues to come from certified renewable sources with Renewable Energy Guarantees of Origin (“REGO”).</li> <li>• Launch a generator usage policy to reduce reliance on generators and fuel usage.</li> </ul> |

# UN Sustainable Development Goals

 Oliver, Carrwood Park, Bradford, West Yorkshire

In 2015, the United Nations reviewed the global priorities for creating a sustainable future and produced the 2030 Agenda for Sustainable Development.

As part of this, 17 Sustainable Development Goals (“SDGs”) were launched to promote actions to be taken to end poverty and set the world on a path of peace, prosperity and opportunity for all on a healthy planet. In 2020, we shared our commitment to these goals and set out how and where these are supported by the activities of the Group.

These initiatives have been carefully considered in creating our sustainable business strategy (see page 6), which fully supports target one of SDG 11 – Sustainable cities and communities, by providing “**access for all to adequate, safe and affordable housing**”. As part of our materiality assessment (see page 5), we engaged with a number of stakeholders who backed our commitment to supporting these goals in our mission of Building Homes. Changing Lives.

We recognise that as a business, we not only change the lives of our customers by offering many their first step onto the property ladder that would otherwise be unattainable, but there are also many other stakeholders who are impacted by our activities. As a result, we have adopted six of the Sustainable Development Goals, which we believe we support and the details of which are reported here.



## UN SDG Targets

5.1 – End all forms of discrimination against all women and girls everywhere.

5.5 – Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.

5.a – Undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance and natural resources, in accordance with national laws.

### How this is supported by us:

Gleeson is an equal opportunities employer and we strive to pay our employees equally for the same or equivalent work, regardless of their gender.

We take part in and sponsor Women in Construction and Women in Property events. Our recruitment team are active in seeking to recruit more women into the industry.

We continue to look at roles that women occupy and review how our succession planning programme fits with these roles.

We review job descriptions, roles and responsibilities to make sure these are inclusive.

### KPIs

Median pay gap in favour of women reported in our 2021 Gender Pay Gap Report.

29% of the Board and 31% of the Senior Management team are female.

Overall 30% of our workforce are female.



## UN SDG Targets

8.5 – By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

8.6 – By 2020, substantially reduce the proportion of youth not in employment, education or training.

8.8 – Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

### How this is supported by us:

We are committed to ensuring that all employees, potential recruits and other stakeholders are treated fairly and equitably.

Recruitment and advancement is based upon individual skills and aptitude irrespective of race, nationality, gender identity, sexual orientation, disability, age, religion or beliefs.

We continue to carry out pay and benefit benchmarking at regular intervals against other employers to ensure that we pay our employees fairly.

Our HomeSafe brand reflects our belief that everyone who is involved in, or affected by, our development work has the right to remain free from harm and return home safely every day.

### KPIs

We directly employ 672 people on our sites and in our offices, an increase of 67 people on last year.

100% real Living Wage employer and the first housebuilder to be accredited by the Living Wage Foundation.

Top quartile company for employee engagement.

Accredited with Investors in People as a business that “Makes work better”.

At June 2021 we had 70 apprentices employed representing 10% of the workforce.

AllIR Rate – 556 (Industry average: 264) – see further comments on page 11.



## UN SDG Targets

11.1 – By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.

**How this is supported by us:**  
Gleeson Homes’ mission is “Changing lives by building affordable, quality homes. Where they are needed, for the people who need them most.”

Our sustainable business model is based around our impact on communities, people and the environment.

We exist to transform lives and make home ownership a reality for young people, low-income families and first time buyers. This creates communities and provides benefits to wider society.

We partner with local authorities and private landowners to acquire land in areas that will benefit from investment, regeneration and development for housing that is affordable to local people.

### KPIs

91.6% (£264.2m) of Group revenue in the year to 30 June 2021 supported UN SDG 11 through the provision of safe and affordable housing.

Our average selling price of £145,800 is significantly lower than the new build industry average of £326,000.

Four out of five of our customers are first time buyers and two out of three of our customers are key workers.

The median age of our customers is 29 and 77% are 35 years old or younger. Our homes start from £95,000 and the median income of our customers is £23,000.



## UN SDG Targets

12.2 – By 2030, achieve the sustainable management and efficient use of natural resources.

12.5 – By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

### How this is supported by us:

We have committed to diverting at least 95% of waste from landfill and are implementing initiatives to further reduce waste volumes.

We have established new policies for Sustainable Procurement, Sustainable Packaging, Timber and Waste Management.

### KPIs

For the year to 30 June 2021, 98% of our construction waste was diverted from landfill.

99.9% of our timber is sourced from FSC/PEFC approved sources.



## UN SDG Targets

13.2 – Integrate climate change measures into national policies, strategies and planning.

13.3 – Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.

### How this is supported by us:

We set a target to reduce our scope 1 and 2 carbon emissions by 20% to less than two tonnes per home sold within three years.

We have published our scope 3 emissions for the first time this year.

We have established a new Climate and Environment policy.

### KPIs

For the year to 30 June 2021, we generated 2.05 tonnes of scope 1 and 2 carbon emissions per home sold. This was a reduction of 18% from the previous financial year, excluding the impact of Covid-19.

We have increased our three-year reduction target to 30% or 1.75 tonnes per home.

We will be taking steps to refine our scope 3 data and to reduce carbon emissions in building products and construction operations.



## UN SDG Targets

15.3 – By 2030, combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land degradation-neutral world.

15.9 – By 2020, integrate ecosystem and biodiversity values into national and local planning, development processes, poverty reduction strategies and accounts.

### How this is supported by us:

Our developments are located in areas where there is often a need for regeneration; typically brownfield sites that would otherwise remain derelict or unused.

We build in the most deprived areas of the UK, regenerating land and building new homes where they are needed most.

We invest in our sites, creating attractive and well-planned developments with green space and biodiversity.

### KPIs

77% of homes sold in the year to 30 June 2021 were on brownfield land.

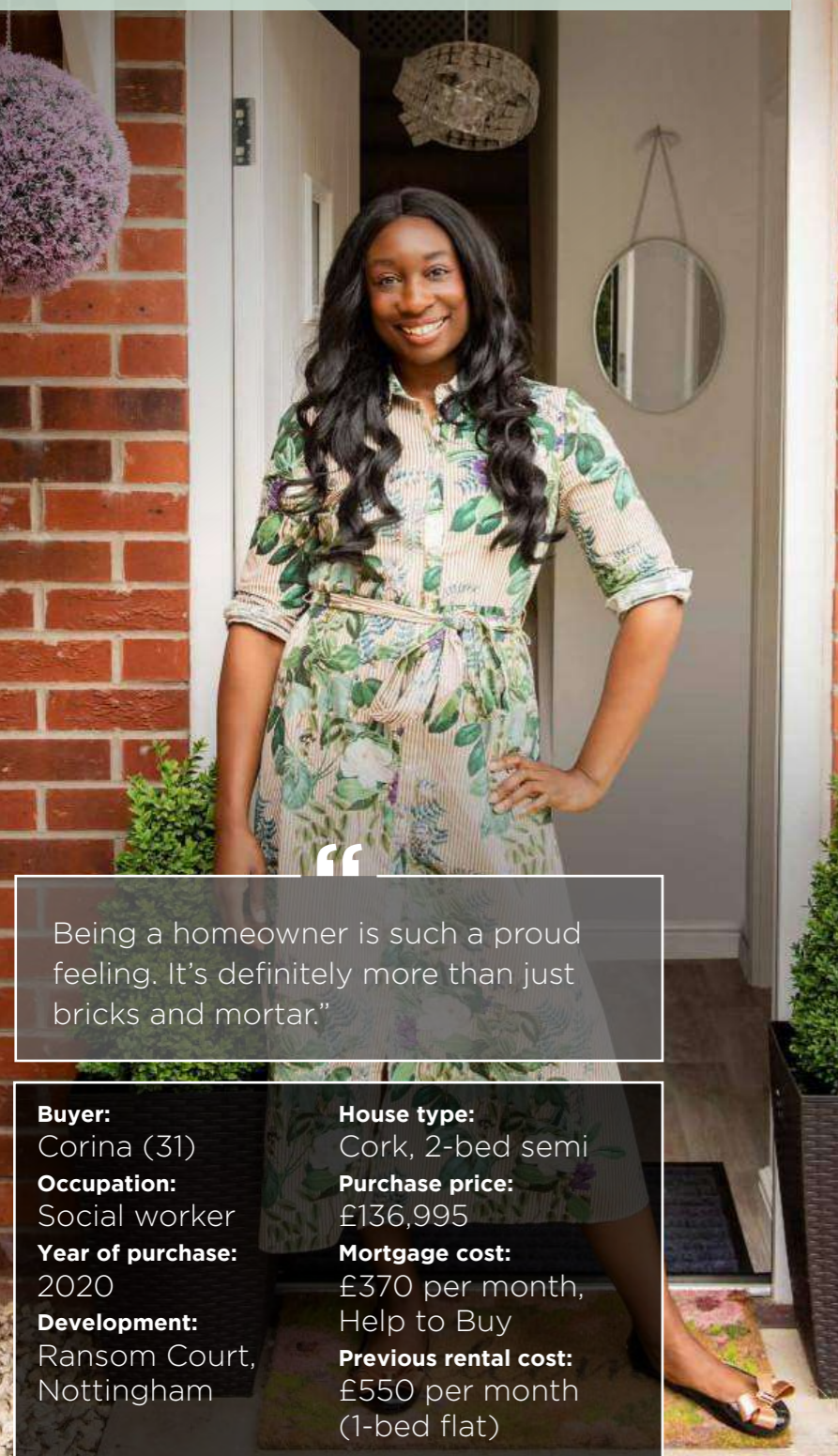
For the year to 30 June 2021, only 6% of the homes sold were in areas of high water stress.

Over £175m spent on site development including land remediation during 2021.

# Sustainability in Action

Customer case studies

## Changing the life of a single buyer



“Being a homeowner is such a proud feeling. It’s definitely more than just bricks and mortar.”

**Buyer:**  
Corina (31)  
**Occupation:**  
Social worker  
**Year of purchase:**  
2020  
**Development:**  
Ransom Court,  
Nottingham

**House type:**  
Cork, 2-bed semi  
**Purchase price:**  
£136,995  
**Mortgage cost:**  
£370 per month,  
Help to Buy  
**Previous rental cost:**  
£550 per month  
(1-bed flat)

Social worker Corina was renting a small one-bedroom flat in Nottingham before purchasing her two-bedroom Gleeson home in September 2020.

A single buyer, Corina was overjoyed that a developer in the area was catering for first time buyers, with a Help to Buy Equity Loan and a scheme specifically for key workers.

The rent on Corina’s one-bedroom flat was £550 per month, so she was delighted to find that her mortgage would be just £370 per month, a saving of £180 every month. Making use of our Key Worker Priority Scheme, Corina also benefitted from £1,000 towards upgrades and extras in her home, which she chose to spend on a premium kitchen.

Corina said: “Gleeson was ideal for me because the homes are so affordable. The price point is great, particularly for single buyers. Many homes in the nearby area were much more expensive and other housebuilders in Nottingham were charging thousands of pounds more for the same size house.”

“Without Gleeson I would have been stuck renting or would have had to purchase something similar in size to my flat. Being a homeowner is such a proud feeling, it’s definitely more than just bricks and mortar.”

“The location of my home is great. It’s so close to the city centre which makes commuting really easy and it’s surrounded by trees and lovely places to go for walks. I completely fell in love with my house type, despite being a two-bedroom semi it’s so spacious and is laid out perfectly for having friends round.”

A new Gleeson home has given Corina something to focus on throughout the pandemic and beyond. Since moving in she has begun blogging images of her home and interior design tips, connecting with other Gleeson homeowners via Instagram.

Charmaine and Brad purchased their three-bedroom detached home at our Balderstones development in Rochdale in November 2020.

Both working in the fashion industry in Manchester, Brad and Charmaine had been renting a two-bedroom flat in the city centre. Spending the first lockdown throughout the hot summer months in a small flat without a garden made the couple realise how much they wanted to buy their own home.

The couple were thrilled by the price of Gleeson homes, and they all had gardens and driveways, together with range of extras and options. Sold on the idea of moving into a new home which is low maintenance and cheaper to run, the couple were even more delighted when their plot of choice was ready just four months after they reserved.

With the location of their development only five minutes from the motorway, the couple can easily get to work in Manchester and now enjoy city life close by, with their own home to return to.

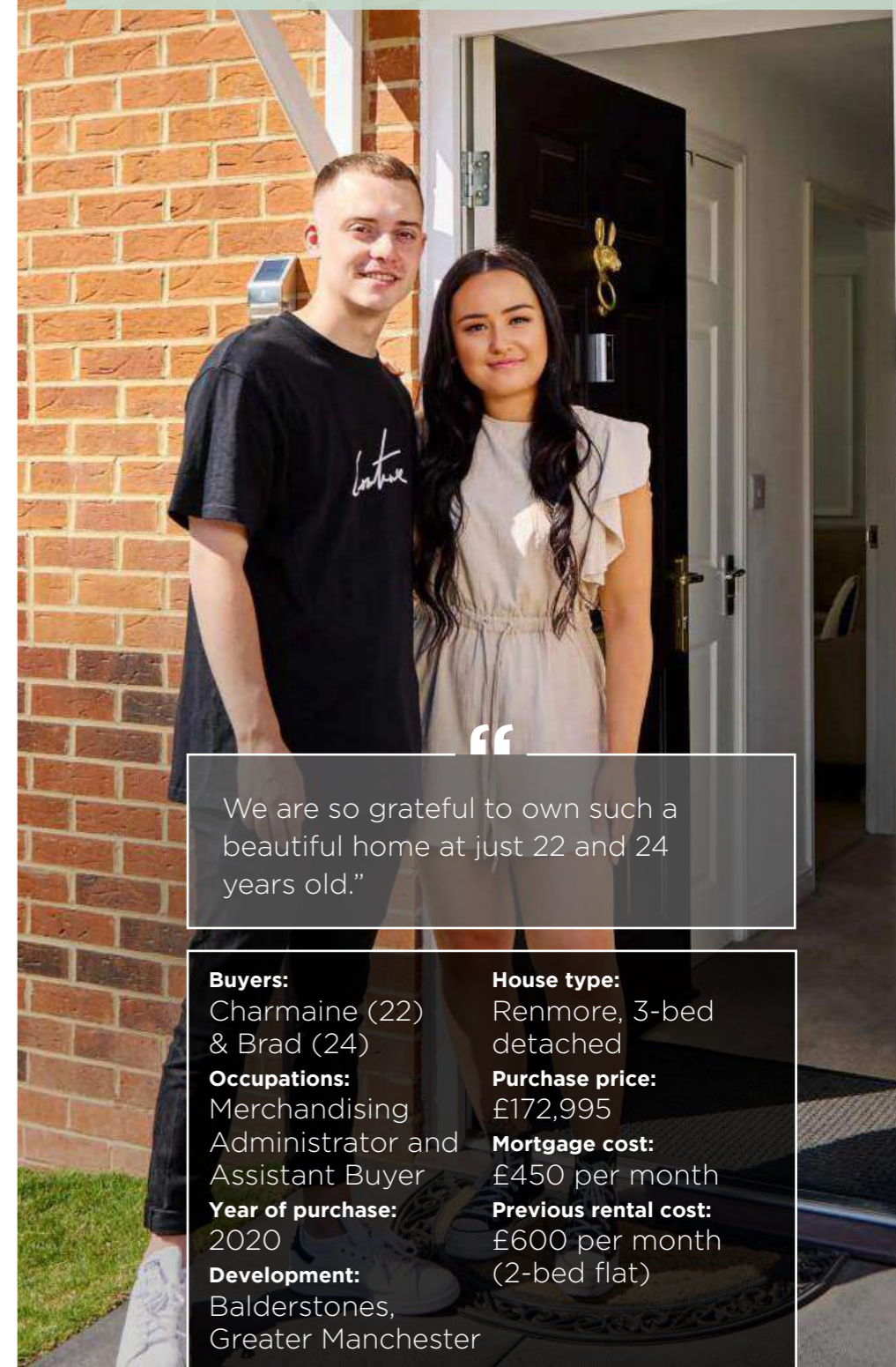
With amenities like the Trafford Centre less than half an hour away, as well as a plethora of local shops and supermarkets within walking distance, Balderstones is an ideal development for young couples like Brad and Charmaine.

The pair had initially been saving to go on holiday to Thailand, so are very glad that they used the money for their new home instead.

Charmaine said: “We can’t believe how affordable our home is. We didn’t think we’d be able to buy a house, but Gleeson proved us wrong. Our home actually works out cheaper than the rent and bills we were paying for a two-bedroom flat, which is just incredible considering the size difference.”

“We definitely made the right decision investing in our home rather than a holiday! Plus, because our home is so affordable, we will still be able to have treats like holidays when the time is right.”

## Helping young people into home ownership



“We are so grateful to own such a beautiful home at just 22 and 24 years old.”

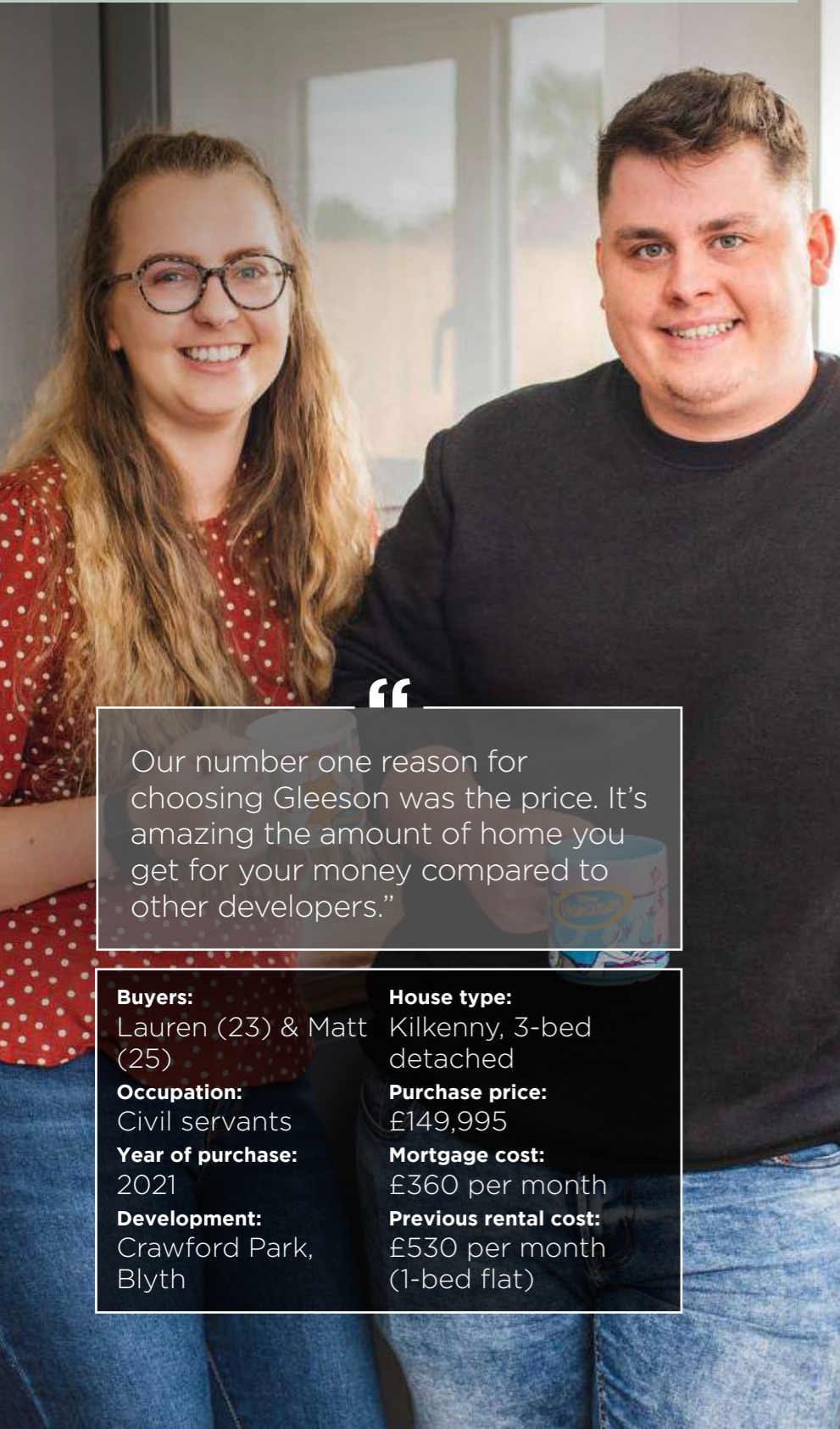
**Buyers:**  
Charmaine (22) & Brad (24)  
**Occupations:**  
Merchandising Administrator and Assistant Buyer  
**Year of purchase:**  
2020  
**Development:**  
Balderstones,  
Greater Manchester

**House type:**  
Renmore, 3-bed detached  
**Purchase price:**  
£172,995  
**Mortgage cost:**  
£450 per month  
**Previous rental cost:**  
£600 per month  
(2-bed flat)

# Sustainability in Action

## Customer case studies

### Escaping the rent trap and starting their new lives



Spending the last two years renting a one-bedroom flat, Lauren and Matt were keen to get onto the property ladder, but never imagined they would be able to own a three-bedroom detached house.

Giving them so much more space and saving them £170 a month, their new home has been transformational.

Lauren and Matt moved into their three-bedroom home in March 2021. The couple were paying £530 per month in rent for their flat and are now paying just £360 per month for their mortgage. Their previous flat had no parking, garden, or communal outdoor space. With only one bedroom the pair could never have friends or family over to stay, and their bedroom was next to the communal stairwell, so they heard noise from other residents at all hours of the night.

Eager to purchase a new build, Lauren and Matt viewed various developers but were amazed at the price of a Gleeson home.

Matt said: "Our number one reason for choosing Gleeson was the price. It's amazing the amount of home you get for your money compared to other developers. We looked at other nearby sites and for our budget we could only get a two-bedroom house or a three-bedroom semi-detached house, but with Gleeson we could get a detached house with a garage and a garden. It really was a no brainer. A big tick for us was the fact that every Gleeson home comes with a garden, which was something we were craving."

Lauren continued: "We love everything about our home. We are saving so much money every month by not renting, instead we are paying for a house that actually belongs to us, which is a great feeling."

Our number one reason for choosing Gleeson was the price. It's amazing the amount of home you get for your money compared to other developers."

|   |   |
|---|---|
| <b>Buyers:</b><br>Lauren (23) & Matt (25)   | <b>House type:</b><br>Kilkenny, 3-bed detached              |
| <b>Occupation:</b><br>Civil servants        | <b>Purchase price:</b><br>£149,995                          |
| <b>Year of purchase:</b><br>2021            | <b>Mortgage cost:</b><br>£360 per month                     |
| <b>Development:</b><br>Crawford Park, Blyth | <b>Previous rental cost:</b><br>£530 per month (1-bed flat) |

At the age of 15, Tania was homeless and lived on the streets in York. This year she bought her second Gleeson home with her partner Josh.

Teachers Tania and Josh both bought as single buyers on our Rainsborough Park development in 2018, with Tania buying a two-bedroom semi-detached Cork for £101,995 and Josh purchasing a three-bedroom semi-detached Fergus for £125,995.

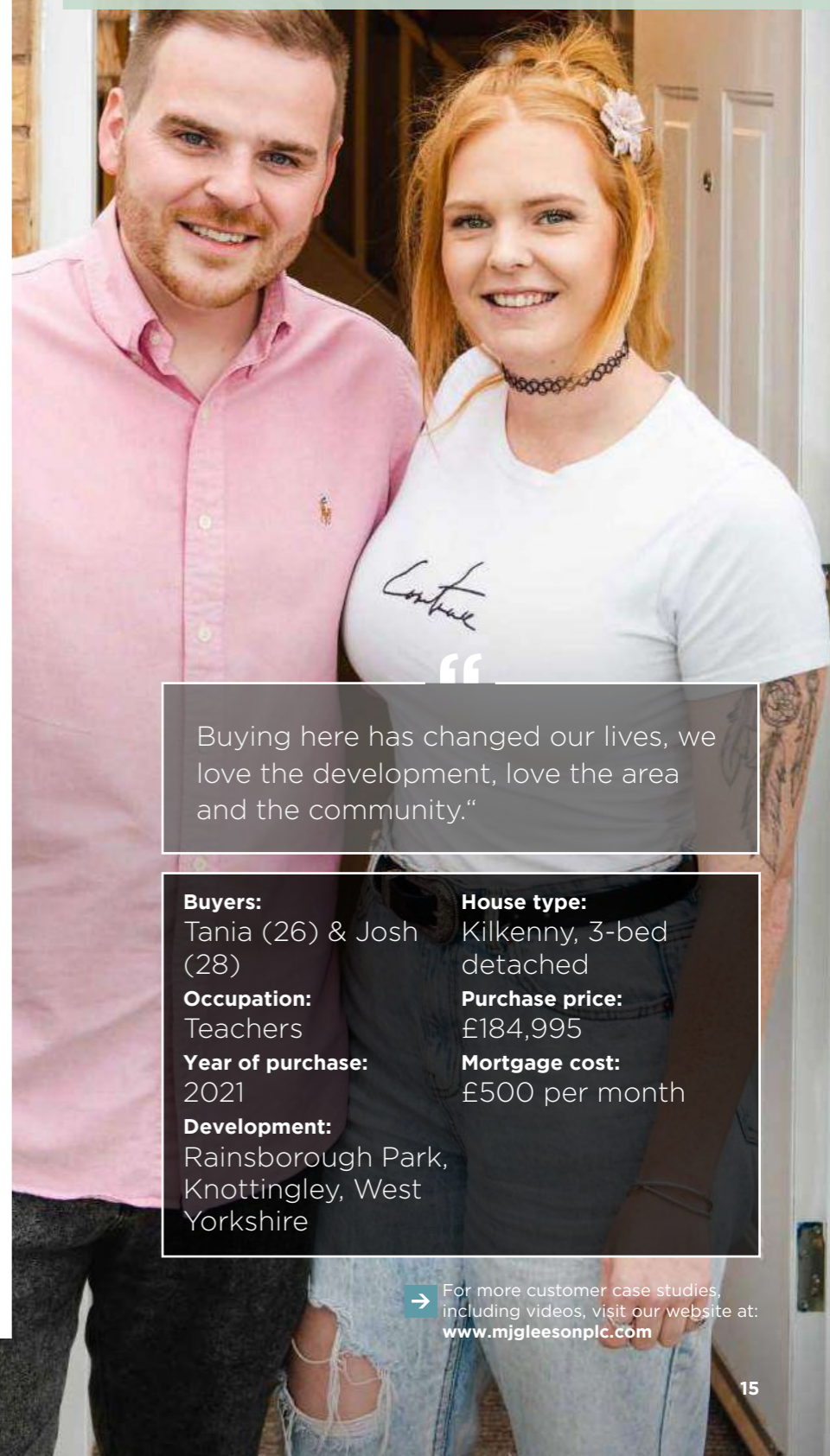
They soon met and fell in love and realised that they could combine the existing equity in their homes and purchase a new Gleeson home on the development together. When the existing three-bedroom detached Kilkenny show home was released for sale, Josh and Tania were quick to reserve it, paying just £184,995.

Being a homeowner has a special significance for Tania.

Tania said: "I've faced a lot of adversity in my life, spending time on the streets and in homeless shelters, but I'm so proud of how I've turned my life around. I was amazed when I could buy my first Gleeson home with just a £4,500 deposit, and that my mortgage repayments would be only £350 per month. Moving onto Rainsborough Park changed everything, I feel like I have much more of a sense of purpose now I'm a homeowner and of course, I met Josh."

Josh said: "Before buying my first home, I was renting a small terraced property, paying £800 per month, now in our second Gleeson home, which we bought fully furnished, we only pay £500 per month for our mortgage. Buying here has changed our lives, we love the development, love the area and the community. We plan on staying on Rainsborough Park for life, and already have our eye on the four bedroom properties which will be released as part as Phase Three. With Gleeson you get so much for your money, the quality is fantastic and the process is so straightforward."

### From homeless to home owner



Buying here has changed our lives, we love the development, love the area and the community."

|   |  |
|---|--|
| <b>Buyers:</b><br>Tania (26) & Josh (28)                              | <b>House type:</b><br>Kilkenny, 3-bed detached |
| <b>Occupation:</b><br>Teachers  | <b>Purchase price:</b><br>£184,995             |
| <b>Year of purchase:</b><br>2021                                      | <b>Mortgage cost:</b><br>£500 per month        |
| <b>Development:</b><br>Rainsborough Park, Knottingley, West Yorkshire |  |

➔ For more customer case studies, including videos, visit our website at: [www.mjgleesonplc.com](http://www.mjgleesonplc.com)



# Sustainability in Action

Environment – Gleeson Homes case studies

## Cleaner, more efficient forklift trucks



In our 2020 Annual Report, we set a target to upgrade our fleet of forklift trucks to the latest JCB models.

These have more efficient engines and incorporate start/stop technology to reduce engine idling. They also have live data monitoring such as speed, fuel consumption, operator warnings and various safety alerts.

At 30 June 2021, 59% of our forklift trucks had been upgraded to these newer models, which has reduced forklift diesel fuel consumption by 4% this year. This fuel saving will continue to increase with the changeover and our “real world” on-site testing shows that it will deliver a 12% saving in fuel per forklift truck for a full year:

|                                    | New model   | Old model | Saving |
|------------------------------------|-------------|-----------|--------|
| Time spent at idle                 | <b>13%</b>  | 29%       | 57%    |
| Fuel consumption (litres per hour) |             |           |        |
| Operating                          | <b>5.57</b> | 5.83      | 4.5%   |
| Idle                               | <b>1.71</b> | 1.89      | 10%    |
| Combined                           | <b>4.09</b> | 4.67      | 12%    |
| Carbon Emissions                   | <b>1.43</b> | 1.63      | 12%    |

As part of this changeover, we have secured an ongoing agreement to upgrade units in future as they age or become inefficient. Given these are one of the major users of fuel on our development sites, this will help us to continue reducing our carbon emissions.

In addition, we are trialling the use of hydrotreated vegetable oil (HVO) biodiesel on a number of sites as we assess moving away from more pollutive fuels. HVO biodiesel produces up to 90% lower carbon emissions than standard diesel. Subject to successful trials, we will look to move our forklift fleet over to HVO biodiesel.

## Regenerating land - Model Walk, Worksop, Derbyshire



### 100 years of coal mining

Model Walk near Worksop sits on part of the former Creswell Colliery, which was in operation from 1894 until its closure in 1991. The site has an extensive history and, following its closure, the land remained derelict and disused for around 25 years until it was acquired by Gleeson Homes.



### A heavily contaminated site

Since its closure, all of the old mining buildings were removed by the former owners, but the site had extensive rubble, hard standing and detritus across it. In addition, parts of the site were contaminated from the former activities including the presence of polycyclic aromatic hydrocarbons, arsenic and naphthalene together with areas that were infested with Japanese knotweed.



### Regeneration of the land

A detailed planning application was submitted by Gleeson Homes in 2016. Following years of neglect and anti-social behaviour on the land, the scheme received unanimous support.

The site required extensive remediation including the removal of hardstanding, brick, glass, contaminated topsoil, Japanese knotweed and other contaminants. There were also varying capping depths required across the site and additional radon precautions in certain areas.



### A model site

The site has 197 plots with two, three and four-bed homes and open space. Special designs were needed for the homes fronting onto the historic Model Village conservation area to address and celebrate a unique setting. The development has also paved the way for the regeneration of the remainder of the former colliery to the south and west, providing high-quality, affordable homes for local people.

# Sustainability in Action

Environment - Gleeson Land case studies

## Protecting native species at Westbury Leigh, Wiltshire

Gleeson Land submitted a planning application for 67 homes along with open space and allotments.

We seek planning permissions that are sensitive to local ecology and wildlife. Our scheme at Westbury Leigh incorporates natural greenspace as well as allotments for residents. It is planned with landscaping that is in keeping with the local area and surrounds the development.

The site also lies within a consultation zone for the greater horseshoe bat, with a roost to the west of the site. Survey data demonstrated that there was horseshoe bat activity on the western site boundary. In order to preserve this activity, we worked closely with Natural England and our planners to retain and protect the existing area of plantation woodland on the western boundary.

In addition, new bat habitats comprising supplementary native trees and shrubs are planned along the eastern boundary of the plantation woodland to buffer it from the built development. A "dark buffer" is established which would safeguard the flight route of the bats and protect the activity of this protected species. In this buffer there would be light no more than that associated with a full moon.



Gleeson Land obtained planning approval for 254 homes along with significant areas of open space.

We work to ensure that our schemes are sustainable and offer improved facilities for local residents, which leads to stronger communities. Incorporating areas of natural greenspace is a major factor in every application, as well as how the development fits alongside the existing local urban and natural environment.

At Manor Farm in Tongham, we obtained planning permission for a site that includes 254 homes, creates a route through the site to connect existing developments, provides open space including children's play areas, utilises sustainable urban drainage systems and creates a significant Suitable Alternative Natural Greenspace ("SANG") of over 17 hectares.

This space provides outdoor areas for the community to use, along with a new car park and pedestrian accesses from the development. It is also sufficient in size to provide greenspace for two other development applications locally.

The SANG land was sensitively landscaped with planting of trees and hedgerows around gravel paths to enhance the existing natural environment and attract local wildlife to the area.

## Creating open space at Manor Farm, Tongham, Surrey



## Sustainability in Action

### People

#### Investing in our apprentices

##### Adam Barrass Bricklayer

Before starting his apprenticeship with Gleeson, Adam played football in Malta for one season, then returned to England to work in a food packing factory. Adam was keen to learn a trade and, as his father worked as a bricklayer on a Gleeson development, he applied for a bricklaying apprenticeship with Gleeson and started at our Forge Court development in Sunderland in 2018.

Adam made a strong impression with the site team from his first day with his enthusiasm, can-do attitude and collaborative approach. He was clear about his ambitions and during the development conversations that we have with all colleagues, he discussed his desire to move into site management or health and safety after learning his trade.

He quickly progressed through his Level 2 bricklaying qualification, gaining recognition from his tutors at college and winning several awards, whilst continuing to perform strongly on site. He went on to complete his Level 3 apprenticeship with distinction in early 2021.



When a Trainee Health and Safety Advisor role became available in the North East Division, Adam was a natural fit and he is continuing to learn and grow in his new role with us.

Oliver signed up for an AAT Level 3 apprenticeship and initially joined the purchase ledger team to start learning the fundamentals of finance at Gleeson. He quickly established himself as a rising star with his enthusiasm, flexibility and fast learning. Within six months Oliver moved to the treasury team where he learned a whole new set of skills.

Oliver passed all of his exams on the first sitting and completed his Level 3 apprenticeship with distinction within 18 months. He immediately moved to a Level 4 apprenticeship whilst continuing to play a valued role in the Finance team.

His exams were put on hold during the first Covid-19 lockdown, but Oliver continued to support the business when his colleagues were on furlough, showing his flexibility and knowledge in different areas.

In December 2020, he successfully completed his Level 4 apprenticeship and was promoted to the role of Assistant Management Accountant. He is currently continuing his academic journey and studying for his CIMA professional qualification with the support of Gleeson.

##### Oliver Hume Finance

When Oliver started his Finance apprenticeship with Gleeson in 2017, he was 18 years old and worked at McDonalds. He did not have any prior accounting knowledge, but was keen to get his AAT (Association of Accounting Technicians) qualification because his mum had recently finished her own AAT qualification.

#### Promoting women in construction

Sarah Marsden, Divisional Managing Director of the Gleeson Homes North Eastern Division, has been with Gleeson for over 11 years in a number of senior roles. She started in the construction industry over 20 years ago as a sales negotiator, and worked her way up through various roles including Sales Director, Group Operations Director, and now, Divisional Managing Director.

On being a woman in construction, Sarah said:

"I've been in the construction industry for 21 years and I'm pleased to say there is far greater diversity and equality now than when I first started. In fact, the last 20 years have been quite transformational. At school, the construction industry was the stereotypical route for non-academic males, and for females a career in construction was not encouraged. I got into the industry by selling new homes on site and I've worked hard to progress my career becoming the youngest female Director in my former company. I've worked at Gleeson for 11 years now and I haven't directly experienced any real prejudice or bias, quite the opposite, I have been fortunate to receive support and respect from my colleagues and peers alike. I would, however, be confident enough to call out any negative behaviour."

"I strongly encourage a career in the construction industry from all interested and enthusiastic applicants – there is a broad spectrum of opportunity for all, regardless of talent, gender or preference. It's a great sector to be a part of."

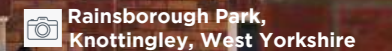


# TCFD Disclosures

## Task Force on Climate-related Financial Disclosures

The Financial Stability Board created the Task Force on Climate-related Financial Disclosures (“TCFD”) to improve and increase reporting of climate-related financial information.

Responding to the TCFD requirements, we aim to increase our disclosures in line with its recommendations.

 Rainsborough Park, Knottingley, West Yorkshire

### Governance

The organisation’s governance around climate-related risks and opportunities.

The Board has ultimate responsibility for climate-related risks and opportunities, with the day-to-day approach in responding to climate-related risks and wider sustainability topics being managed by the Executive Directors.

The Sustainability Committee is a sub-committee of the main Board and meets on a bi-annual basis to discuss the strategic direction, climate-related risks and opportunities and to assess progress on ongoing sustainability projects, including those focused on carbon reduction. More information can be found on pages 106 - 108 of our FY21 Annual Report.

Bi-annual updates are also provided to the Audit Committee outlining any changes to the assessment of sustainability risks, material issues, policies, disclosure requirements and progress against sustainability targets.

Below the Board, operational directors and heads of department have responsibility for integrating sustainability into their respective areas. This includes compliance with the Group’s sustainability policies in the following areas:

- Climate and environment;
- Sustainable procurement;
- Sustainable packaging;
- Sustainable timber; and
- Sustainable waste management.

This year, we have introduced internal sustainability KPIs within the monthly reporting to the Board. The approved budget for the next financial year also includes sustainability targets and metrics. Progress against these will be tracked to ensure our sustainable values are embedded throughout the business.

We have also appointed a Head of Safety, Health, Environmental and Quality (“SHEQ”) who will support the senior management team in integrating sustainability throughout the business.

### Strategy

The actual and potential impacts of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning where such information is material.

Climate change has the potential to significantly impact our business strategy through restricting land availability, disrupted build programmes, material and labour shortages and increased costs. It also has the risk of impacting the homes and communities we build through flooding, overheating and water shortages.

Forthcoming changes to building regulations, namely Part L (Conservation of fuel and power) and Part F (Ventilation), will change the way our homes are supplied with power and heating. These are potentially the first of many climate-focused amendments to building regulations as the government progresses their vision of zero carbon ready homes. Our sustainable business strategy and the design of our homes will continue to factor in these changes to building regulations.

Another impact of climate change and more frequent extreme weather events is the risk of more frequent flooding, making certain areas unsuitable to build on. This would reduce the availability of land and consequently increase the cost of developable land. It could also increase the costs of installing flood mitigation on certain planning developments.

Increases in temperature could require alternative strategies to ensure that new homes remain habitable and prevent overheating. These could include passive cooling measures including better shading, reflective surfaces and cover for homes.

We continue to assess changes to climate-related risks and the potential impact on the Group, its strategy and any financial impacts.

### Risk management

How the organisation identifies, assesses, and manages climate-related risks.

Climate change and sustainability have been identified as principal risks for the Group. More information can be found on page 73 of our FY21 Annual Report.

The Group risk register is formally reviewed by the Audit Committee at the majority of its scheduled meetings, including consideration of emerging risk areas or changes to existing risks. More information can be found on pages 98 - 105 of our FY21 Annual Report.

A separate, detailed sustainability risk register is also maintained which covers the risks for the Group associated with environmental, social and governance matters.

The sustainability risk register is managed by the Sustainability Committee and reviewed, at least, on a bi-annual basis with any amendments reported to the Audit Committee as part of its monitoring of principal and emerging Group risks.

Each risk on the sustainability risk register is assessed against its potential impact, timeframe, likelihood, severity and mitigating actions. Progress on mitigating actions against short-term risks are prioritised by the Sustainability Committee.

### Metrics and targets

The metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

Our climate performance is measured by reference to an intensity target published in 2020. Last year we set a target of reducing our scope 1 and 2 emissions by 20% per home sold within three years. This will result in a carbon intensity of less than 2.0 tonnes of CO<sub>2</sub>e per home sold. This year we have reduced our scope 1 and 2 carbon emissions to 2.05 tonnes of CO<sub>2</sub>e per home sold. Due to the substantial progress made, we have increased our CO<sub>2</sub>e reduction target to 1.75 tonnes per home sold as set out on page 12.

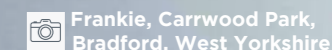
Our climate performance metric for scope 1 and 2 emissions is calculated by taking total metric tonnes of CO<sub>2</sub>e divided by the number of legally completed house sales in a financial period.

This year we are also reporting a “market-based” and “location-based” metric for our scope 2 (electricity) usage.

In addition, this year we are reporting our scope 3 emissions which covers the indirect upstream and downstream carbon emissions of our value chain; this includes the emissions generated by our supply chain in the services and materials they provide to our business, the construction process, and over the life of the homes that we build.

Further details on our scope 1, 2 and 3 emissions, including methodology, can be found in the Environment section on pages 9 and 10. Sustainability KPIs are set out on page 4.

# SASB Disclosures



Frankie, Carrwood Park, Bradford, West Yorkshire

| SASB Criteria                          | Our approach  |
|--|---|
| <b>Land Use and Ecological Impacts</b> |   |
| <b>IF-HB-160a.1</b>                    | <p>Number of (1) Lots and (2) homes delivered on redevelopment sites</p> <p>In the year to 30 June 2021, we added 2,740 brownfield land plots to our land pipeline. This accounted for 52% of plots acquired in the year. The total number of brownfield plots held at 30 June 2021 was 7,606 (48%).</p> <p>In the year to 30 June 2021, we sold 1,387 homes on brownfield land. This accounted for 77% of our total annual house sales.</p> <p><b>Notes</b><br/>We consider brownfield land includes sites upon previously developed land, below ground disturbance (including mining or waste disposal) or land that contains contamination from previous use.</p>  |
| <b>IF-HB-160a.2</b>                    | <p>Number of (1) lots and (2) homes delivered in regions with High or Extremely High Baseline Water Stress</p> <p>In the year to 30 June 2021, we acquired 1,767 plots in regions of high water stress. This accounted for 33% of plots acquired in the year. The total number of plots in areas of high water stress at 30 June 2021 was 2,945 (19%).</p> <p>In the year to 30 June 2021, we sold 106 homes in areas of high water stress. This accounted for 6% of our total annual house sales.</p>  |
| <b>IF-HB-160a.3</b>                    | <p>Total amount of monetary losses as a result of legal proceedings associated with environmental regulations</p> <p>We incurred no monetary losses in relation to environmental matters in the year.</p>   |
| <b>IF-HB-160a.4</b>                    | <p>Discussion of process to integrate environmental considerations into site selection, site design, and site development and construction</p> <p><b>Site selection</b><br/>We operate a "Gateway" procedure in our site acquisition process to ensure that each site meets our hurdles at various stages throughout the purchase. At the earliest step, Gateway 1, a site will be reviewed at a high level to ensure that it meets with our guiding core principles and requirements; of particular importance at this stage is our objective to bring forward development on brownfield sites or sites in need of regeneration in a manner which safely and sustainably returns such sites back into meaningful use whilst simultaneously alleviating any environmental issues which may have been left behind by legacy landowners. On clearing this hurdle further due diligence will be carried out, in part guided by our in-house appraisal document which carries a checklist to prompt consideration of all factors affecting sustainable development including matters of contamination, noise, odour, impact on ecology and biodiversity, proximity to transport links and local facilities.</p> <p><b>Site design</b><br/>We work with a panel of partner architects to ensure that our designs accord with National and Local Planning Policy and Guidance, whilst providing a development where our customers want to live and which is sympathetic to existing constraints including existing local development. Through the planning process we will procure the expertise of third-party consultants in various technical disciplines including all aspects of environmental assessment such as ecology, contamination, noise and odour to ensure that any constraints are appropriately integrated into our designs, or appropriate mitigation measures are identified in order to bring forward appropriate and sustainable development.</p> |

| SASB Criteria                         | Our approach  |
|---------------------------------------|---|
| <b>Workforce Health and Safety</b>    |   |
| <b>IF-HB-320a.1</b>                   | <p>(1) Total recordable incident rate ("TRIR") and (2) fatality rate for (a) direct employees and (b) contract employees</p> <p>We measure health and safety performance using an Annual Injury Incidence Rate ("AIIR") metric. Our AIIR for reportable injuries per 100,000 employees and contractors was 556 in 2021 (2020: 359). The industry average for the house building sector over the same period was 264 (2020: 263) (Source: Home Builders Federation).</p> <p>In the year we reported 10 RIDDOR incidents (2020: 5).</p> <p>There were no fatalities.</p> <p><b>Notes</b><br/>Reportable injuries are aligned to the UK's Reporting of Injuries, Diseases and Dangerous Occurrences Regulations ("RIDDOR").</p> <p>The figure reported is the consolidated figure for all direct employees and subcontractors.</p> |
| <b>Design for Resource Efficiency</b> |   |
| <b>IF-HB-410a.1</b>                   | <p>(1) Number of homes that obtained a certified HERS® Index Score and (2) average score</p> <p>The Energy Performance Certificate ("EPC") is the UK equivalent to the HERS Index.</p> <p>98.2% of our homes achieve an EPC rating of B or higher due to efficient design and build characteristics in each of our standardised house types.</p>  |
| <b>IF-HB-410a.2</b>                   | <p>Percentage of installed water fixtures certified to WaterSense® specifications</p> <p>WaterSense is not applicable to the UK.</p> <p>All of our homes are designed to achieve a maximum internal water use of 110 litres per person per day and a possible 5 litres per day external use where external taps are fitted. All of our homes are fitted with dual flush toilets, low flow taps and showers and water meters.</p>  |
| <b>IF-HB-410a.3</b>                   | <p>Number of homes delivered certified to a third-party multi-attribute green building Standard</p> <p>All of our homes are subject to UK building regulations which include standards for energy and water efficiency as detailed in criteria IF-HB-410a.1 and IF-HB-410a.2.</p> <p>There is no widely adopted green building standards that outline specification or sustainability credentials of homes in the UK.</p> <p>The historic Code for Sustainable Homes was withdrawn by the government with the view that these requirements would be embedded into the latest building regulations.</p>  |

| SASB Criteria                                | Our approach  |
|--|---|
| <b>Design for Resource Efficiency</b>        |   |
| <b>IF-HB-410a.4</b>                          | <p>Description of risks and opportunities related to incorporating resource efficiency into home design, and how benefits are communicated to customers</p> <p>Our homes already incorporate facilities to assist our customers in living a sustainable lifestyle in their new home such as dual flush toilets, low flow taps and showers and water meters. In addition, our homes are fitted with low energy lighting and are thermally efficient, with 98.2% of our homes achieving an EPC rating of B or above.</p> <p>We use sustainable materials where possible, such as environmentally friendly gravel on drives. Gravel drives emit significantly lower CO<sub>2</sub> in construction and over their lifetime versus a bonded surface material and are permeable allowing better water run-off and reducing the risk of flooding.</p> <p>These benefits are communicated to customers as part of the handover process and in our new home handbooks to explain to customers how to get the most out of their new home and minimise the running costs.</p> <p>Forthcoming changes to building regulations, Part L (Conservation of fuel and power) and Part F (Ventilation), will change the way our homes are supplied with power and heating. In readiness, we are trialling the use of air-sourced heat pumps as a means of heating. These absorb heat from the outside air to heat the home and hot water, and are more efficient reducing household bills and lifetime CO<sub>2</sub> emissions from a home.</p> <p>We are also examining the installation of EV charging points in homes and how to manage the associated infrastructure requirements on sites.</p> <p>We continue to assess the design, structure and build of our homes to ensure they meet the requirements of the latest building regulations and our customers expectations. At the same time, we have to manage the impact of these changes with the need to keep our homes affordable, which is fundamental to our sustainable business strategy.</p> |
| <b>Community Impacts of New Developments</b> |   |
| <b>IF-HB-410b.1</b>                          | <p>Description of how proximity and access to infrastructure, services, and economic centres affect site selection and development decisions</p> <p>We strive to build low-cost, sustainable new homes where they are needed and for the people who need them most. This ethos is present in our site selection strategy where we will always consider matters such as access and proximity to existing infrastructure and services, as well as economic and employment centres. We always aim to bring forward developments that are in close proximity to existing services and with good access to services and facilities. This often comes hand-in-hand with our objective to regenerate brownfield sites and sites near areas which already have a high provision of rental properties, as these target site typologies are often already well served by local facilities.</p> <p>Where existing access is restricted by location, we work with consultants and the local authority to identify mitigation measures that might be taken to improve services and access to services. Often this will form part of a transport assessment and travel plan which might identify improvements to local public transport infrastructure to improve the sustainability of the site, or ways in which other sustainable (non-car) transport methods can be promoted.</p>   |
| <b>IF-HB-410b.2</b>                          | <p>Number of (1) lots and (2) homes delivered on infill sites</p> <p>Most brownfield land in the UK would be classified as an infill site and 90% of our development sites meet this criteria at 30 June 2021.</p> <p>In the year to 30 June 2021, we completed the sale of 1,731 homes on infill sites representing 96% of total unit completions.</p> <p><b>Notes</b><br/>Brownfield land is previously developed land. The majority of brownfield land sites are served by existing infrastructure such as roads, power lines, sewerage and water, and other necessary facilities.</p>   |
| <b>IF-HB-410b.3</b>                          | <p>(1) Number of homes delivered in compact developments and (2) average density</p> <p>We consider all of our sites to be cluster developments which meet the definition of a "compact development". As a result, we delivered 1,812 homes on such developments in the year to 30 June 2021 (2020: 1,072 homes).</p>   |


| SASB Criteria                    | Our approach   |
|----------------------------------|--|
| <b>IF-HB-410b.3</b>              | <p>(1) Number of homes delivered in compact developments and (2) average density continued</p> <p>Gleeson Homes typically builds low-density developments delivering on average 100-150 homes per site. The average density of our developments is 14 homes per net acre with some developments having a density as low as 11 homes per net acre.</p> <p><b>Notes</b><br/>A cluster development is defined as a development that "produces very attractive and marketable communities and makes it easier for developers to preserve environmentally sensitive lands, such as wetlands and forests by allowing lots to be grouped on certain portions of a site, rather than spread uniformly across a site, so that other areas of the site may remain undisturbed as open space."</p>  |
| <b>Climate Change Adaptation</b> |  |
| <b>IF-HB-420a.1</b>              | <p>Number of lots located in 100-year flood zones</p> <p>In the year to 30 June 2021, we acquired 1,481 plots in regions within flood zone 3. This accounted for 28% of plots acquired in the year. The total number of plots within areas of flood zone 3 at 30 June 2021 was 2,687 (17%)</p> <p>In the year to 30 June 2021, we had 235 unit completions within areas of flood zone 3. This accounted for 13% of our total annual completions.</p> <p><b>Notes</b><br/>As per the Environment Agency, flood zone definitions are set out below:</p> <ul style="list-style-type: none"> <li>Flood Zone 1 - land assessed as having a less than 1 in 1,000 annual probability of river or sea flooding (&lt;0.1%).</li> <li>Flood Zone 2 - land assessed as having between a 1 in 100 and 1 in 1,000 annual probability of river flooding (1%-0.1%), or between a 1 in 200 and 1 in 1,000 annual probability of sea flooding (0.5%-0.1%) in any year.</li> <li>Flood Zone 3 - land assessed as having a 1 in 100 or greater annual probability of river flooding (&gt;1%), or a 1 in 200 or greater annual probability of flooding from the sea (&gt;0.5%) in any year.</li> </ul> <p>Note: These flood zones refer to the probability of river and sea flooding, ignoring the presence of defences.</p> |
| <b>IF-HB-420a.2</b>              | <p>Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks</p> <p>Climate risk has been identified as a principal external risk for the Group. The Group risk register is formally reviewed by the Audit Committee at the majority of its scheduled meetings, including any changes to risk ratings and mitigations. Climate risk has been classified as having a medium level of residual risk. This is assessed both from the potential physical aspects of climate change and how they will impact our business strategy, and also the compliance aspects of climate change with increased regulation (including changes to building regulations in response to climate change) and disclosure requirements.</p>   |
| <b>IF-HB-000.A</b>               | <p>Number of controlled lots</p> <p>At 30 June 2021, our owned land pipeline stood at 7,930 plots (2020: 6,849 plots).</p>   |
| <b>IF-HB-000.B</b>               | <p>Number of homes delivered</p> <p>In the year to 30 June 2021, we completed 1,812 homes (2020: 1,072 homes).</p> <p>In the prior year, we sold fewer homes due to the impact of Covid-19 and the UK national lockdown, which resulted in most of our sites being closed between April and May 2020.</p> <p><b>Notes</b><br/>Completions means all legally completed sales to customers during the year.</p>  |
| <b>IF-HB-000.C</b>               | <p>Number of active selling communities</p> <p>In the year to 30 June 2021, we were actively selling from an average of 61 sales sites (2020: 65 active sales sites).</p> <p><b>Notes</b><br/>Active sales sites are sites which are actively selling homes and typically average 26 homes per year.</p>   |



Building Homes.  
Changing Lives.  
Promoting Land.  
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