



COUNTRYSIDE

Places People Love

Places People Love

Countryside Properties PLC Sustainability Report 2020



2020 PERFORMANCE AND HIGHLIGHTS

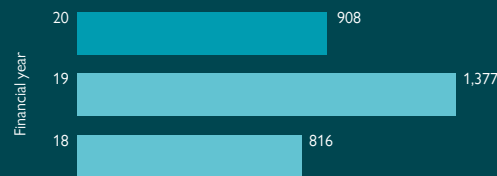
Total Homes Completed

4,053



Homes for the Private Rented Sector Completed

908



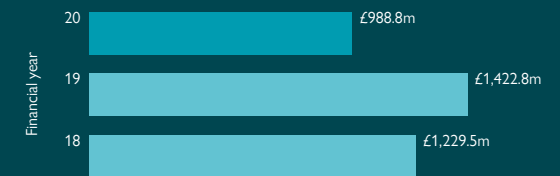
Affordable Homes Completed

1,691



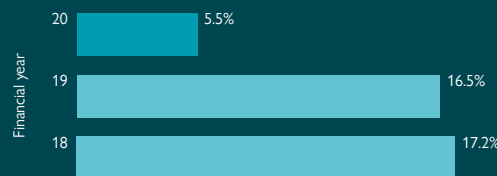
Adjusted Revenue (£m)

£988.8m



Adjusted Operating Margin (%)

5.5



Land Bank # Plots

53,118



Annual Injury Incidence Rate (AIIR)

224



Amount of Communities Fund Spent in 2020 (£)

£760,095.12

2020 performance and highlights continued

Total Waste Produced (tonnes)

45,492



Total Site Waste Diverted from Landfill (%)

98.5



GHG – Scope 1 (tCO₂e)

5,770



GHG – Scope 2 (tCO₂e)

1,906



GHG – Fleet (tCO₂e)

1,791



Sites with Biodiversity Action Plans (%)

42



NHBC Recommend a Friend Score (%)

90.6



Section 106 Spend in the Year (£)

£34,414,290

Countryside at a glance

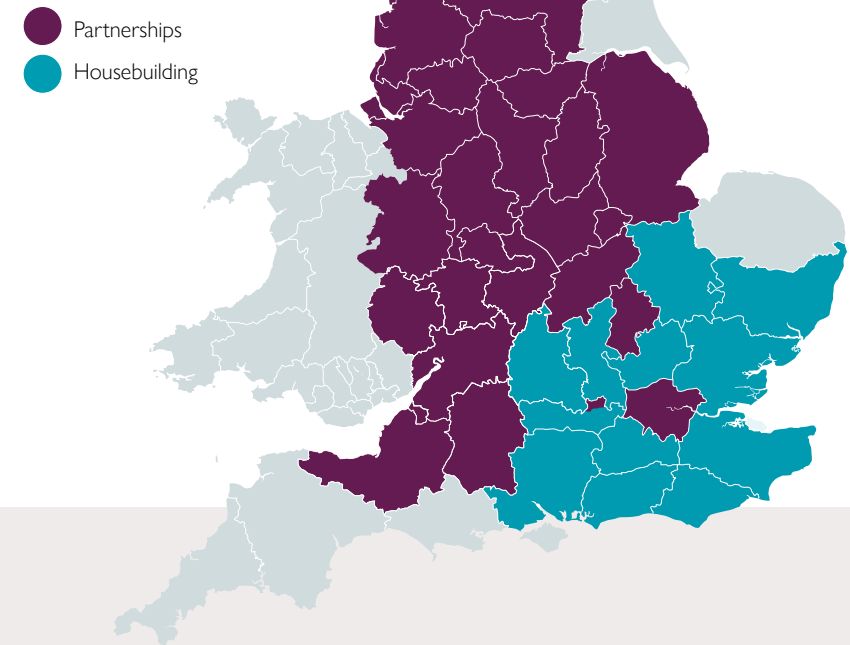
WHAT SETS US APART

Since 2000 we have won 385 awards for design and sustainability excellence. Countryside holds more Housing Design Awards than any other home builder and are the only home builder to have ever received the RIBA Stirling Prize for a housing development – a symbol of our dedication to stunning architecture.



Hanbury Place, Broomfield

- Our design and placemaking excellence
- Two differentiated divisions responding to a variety of market and stakeholder needs
- Far greater proportion of affordable and private rented homes across our developments than private home sales
- Working in partnership with local community stakeholders is central to our success
- We are investing significantly in modern methods of construction with two timber frame factories
- Strong growth trajectory with an even greater number of affordable homes set to be built in future years



11

offices

2

factories using modern methods of construction for timber frame

1,947

directly employed staff (average)

124

active sites

2

divisions: Housebuilding and Partnerships (supported by Central Services)

44

apprentices

& 21

graduates

Operate

14

regional businesses

Countryside at a glance continued

OUR PURPOSE

To create places where people love to live with sustainable communities built to last.

WHO WE ARE

We are a leading home builder in the UK, creating high-quality homes and urban spaces where people love to live. Our business model includes two delivery divisions:

Partnerships, which focuses on urban regeneration, delivering mixed-tenure and affordable homes in collaboration with local authorities and housing associations.

Housebuilding, which delivers private and affordable homes and new communities aimed at local owner occupiers. This division operates under both Countryside and our premium housebuilding brand of luxury homes, Millgate.

HOW WE DELIVER OUR PURPOSE

We work to create places that make life better for people. This means taking a placemaking approach that not only builds high-quality homes, but also thinks critically about the social and digital infrastructure, transport and green spaces needed to nurture a vibrant, connected and healthy community. Engaging with and listening to local communities and partners is key to this work. We work hand in hand with our stakeholders to

understand their priorities and needs and to incorporate these into the development process. What makes us different is the depth of our involvement with communities and partners, and the way we plan, not only for the people who will live there in a year's time, but those communities to follow in the future.

Our purpose is also about helping to create a more sustainable world. The places we live and work have a big impact on our climate and biodiversity, and we have an important role to ensure that we create greener and more resilient environments. We aim to manage our operations in a sensitive and considerate way, and are working hard to ensure that we provide beautiful homes and places while also reducing our waste and emissions.

OUR VALUES

In 2020, we developed a new set of values to support a culture of excellence. These four values are critical to helping achieve our purpose, and truly reflect the Countryside Way.

Our approach to sustainability is reflected in our values, caring for not only the communities in which we develop, but also the environment. By taking pride and delivering on our promises, we grow communities together, never forgetting that people and places are at the centre of what we do.



FTSE4Good

Members of the
FTSE4Good Index since
2018.

SCOPE OF REPORT

Our Sustainability Report reports on Countryside's environmental, social and governance performance across our 2020 financial year (from October 2019 to September 2020) and looks forward to 2021 and beyond with our new approach to sustainability. It covers Countryside operations in our offices, our sites and our factories.

OUR VALUES

WE REALLY CARE

about each other, our customers,
partners, and everyone who
deals with Countryside.

WE GROW TOGETHER

as one solid team,
overcoming shared challenges
and achieving shared goals.

WE TAKE PRIDE

in everything we do to
make places and communities
people love.

WE ALWAYS DELIVER

in the right way,
the Countryside way.



South Oxhey Central, Hertfordshire

Our business model

Our business model is designed to be flexible and responsive to the changing needs of our stakeholders and the markets in which we operate, while ensuring long-term financial sustainability and growth.



➔ To find out more about our business model and strategy please see our 2020 Annual Report and Accounts

OUR KEY RESOURCES



Excellent visibility of future growth with embedded value from strategic land and long-term development agreements.



Highly experienced and motivated employees together with strong supply chain relationships.



Enduring relationships with local authorities, housing associations and major land owners.



Built on transparency, proven development expertise and delivery through the cycle.



Strong balance sheet with net cash and debt capacity if required.

OUR APPROACH



We seek to operate a single model across the Group to ensure consistency of quality and that our customers, partners and other stakeholders receive the same high quality experience whichever part of the business they interact with.



We take a long-term view of our business and want it to be sustainable for the future which means doing things the right way for all stakeholders.



We are focused on delivering long-term value creation and establishing enduring relationships across a wide stakeholder base.

THE VALUE WE CREATE

TRUSTED PARTNER
OVER 40

years of Partnerships experience

COMMUNITY INFRASTRUCTURE
£34M

invested through section 106 payments

COMMUNITY SPIRIT
£760K

charity and community donations

HOMEBUILDER OF CHOICE
90.6%

of customers would recommend us to a friend

PUBLIC GREEN SPACES
67%

of developments in 2020

MEMBER OF FTSE4GOOD FOR
3 YEARS

since June 2018

Group Chief Executive's review

LOOKING TO THE FUTURE

IAIN McPHERSON

GROUP CHIEF EXECUTIVE



“

Creating places that people love has always been a fundamental ethos, but we want to make sure that we have a sustainability approach and vision for the future that is fit for purpose.”

When we published our 2019 Sustainability Report last March, we could never have foreseen the level to which our daily lives and work would be disrupted within a few short weeks. In the upheaval, our focus has remained firmly on the health, safety and well-being of our people, customers and partners, and maintaining a healthy, resilient business. We assisted our people in the transition to home working and established new site operating procedures to ensure social distancing. We did not participate in the Government's Job Retention Scheme, deciding instead to maintain full pay and benefits for all staff on leave in April and May ourselves. A large team of Mental Health First Aiders were available as well as access to our Employee Assistance Programme 24/7.

I am thankful to all our people and partners who have continued to give their all to deliver great homes and communities in this difficult situation. Despite having to completely shut down our production in the spring, we still managed to complete 4,053¹ new homes and achieve a five-star rating from the Home Builders Federation ("HBF") for the first time in our history. Our sales and marketing teams and our customer services acted quickly to put in place numerous measures to ensure customers' concerns were addressed, including providing flexibility on completion dates, offering virtual tours and establishing Covid-19 specific safety procedures for home visits. Please read more about how we have worked to respond to our stakeholders' needs during the Covid-19 pandemic in our Annual Report and Accounts.

We are a signatory on the C-19 Business Pledge. This voluntary scheme asks businesses to consider the crucial role we play to rebuild our economy. Clearly one of our most important roles is to continue to build high-quality affordable homes. Despite the temporary slowdown from the pandemic, our growth strategy remains intact with plans for three additional regional offices and the capacity to deliver up to 12,000 new homes every year once our new factories and regional offices mature. I am very proud that Countryside remains the only major housebuilder in the UK where the number of homes for private ownership is outweighed by affordable homes and homes for the rental sector.

The sustainability challenges we face in the UK and worldwide are complex and far-reaching, from extreme biodiversity loss and climate change to the shortage of affordable homes and the widening gap in social mobility and more. Creating places that people love has always been a fundamental ethos for the Company, but as these critical sustainability issues have come to the fore, we want to make sure that we have a sustainability approach and vision for the future that is fit for purpose. We have significantly strengthened our sustainability team through the appointment of a Group Sustainability Director and an Associate Sustainability Director. We are moving into 2021 with a renewed vigour to enact positive sustainable change, ensuring Countryside remains part of the solution to the significant intergenerational challenges our society faces.



36%

1,454 of our homes were private sales



42%

1,691 of our completions were affordable homes



22%

908 of homes were for the Private Rented Sector

¹ The figure includes the Group's share of completions from joint ventures. Affordable and PRS completions are calculated on a percentage completion basis based on work completed at the balance sheet date.

Group Chief Executive's review continued



COMMUNITIES FUND

During the pandemic, we recognised the challenges people were facing. Some were feeling isolated and lonely, others were struggling to make ends meet or even facing homelessness. We wanted to support people who were finding it difficult to cope. We committed £1m to a new Communities Fund, specifically aimed at helping the most vulnerable. The fund was supported by a team of volunteers within Countryside, who reached out to employees, partners and the local community to identify areas that needed support. The Executive Committee and Board of Directors agreed to a voluntary 20% reduction in base salary and fees for two months, with the equivalent cash amount added to the Communities Fund.

We committed to several local initiatives, including supporting local foodbanks, donating care equipment for the elderly and IT facilities for school children. The Trussell Trust in Bracknell, Ryedale Carers in York and Swan Housing in Billericay are just three of the hundreds of organisations – big and small – that we have already supported.

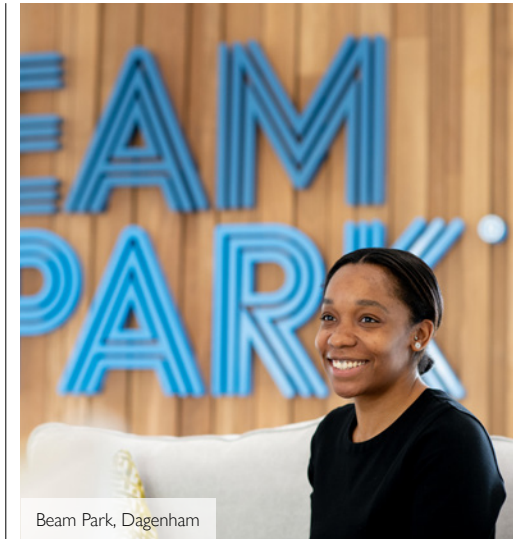
As the impact of Covid-19 is likely to continue to be felt into 2021, we realise that a financial lifeline to the organisations that are the beating heart of our communities will continue to be vital. We have decided to continue our Communities Fund with a further £1m being allocated for our 2021 financial year.

“

I am proud to say that we have retained our membership in the FTSE4Good Index this year. This demonstrates that we have good sustainability governance systems in place ensuring we operate ethically and responsibly.”

The Board and I have been explicit: our approach must be ambitious, and it must address the sustainability issues that are most critical to our business and stakeholders. Real and lasting positive impact is our aim. We have already identified some key areas of focus, including biodiversity and affordability. But there is still work to do to address all of our critical sustainability issues. Over the course of 2021, we will be publishing more details of our approach, areas of focus and how we plan to achieve our aims. We have welcomed the Government's work to provide much needed clarity and direction to business on some of these tough issues through legislation and standards such as the Environment Bill and the Future Homes Standard. We will continue to engage regularly with our stakeholders to ensure that our approach is right.

I am proud to say that we have retained our membership in the FTSE4Good Index this year. This demonstrates that we have good sustainability governance systems in place to ensure we operate ethically and responsibly. However, we also know that we have areas where we need to improve. We were disappointed to receive a D in the 2020 CDP Climate Change Response, but this has only re-affirmed to us the critical importance of Countryside developing an ambitious programme to address climate change in our operations and in the homes and communities we build.



We have also reviewed the focus, scope and participation within our Sustainability Committee, and starting from January 2020 it will be chaired by our Non-Executive Director Simon Townsend with the specific aim of ensuring that all programmes and initiatives going forward are material, measurable and impactful.

➔ To find out more about this Committee, please read page 16

This is a very exciting time for Countryside, and I look forward to reporting on how we are reconfiguring our approach to sustainability soon. In the face of the pandemic, I was incredibly proud of how our people reacted to the challenges they faced and the incredible resolve and perseverance they showed. The same will be needed to meet some of the challenges we and our stakeholders face to address the social and environmental issues ahead, but I am sure that we will rise to meet them and succeed.

Iain McPherson
Group Chief Executive
25 January 2021

Our values and purpose

LIVING THE COUNTRYSIDE WAY

Over 2020, we engaged employees across the business to review our purpose and develop a set of values that reflects the Countryside Way.

Countryside has experienced rapid growth over the past five and a half years, trebling in size. We have moved from being a family-run business to a large PLC and we have opened numerous new offices around the country. Each of our regions has its own unique personality, which we see as a strength. It allows us to understand and respond to the local needs of our stakeholders. But we also believe it is critical to our future business success and sustainability ambitions to have a set of shared values and behaviours that connect us together as one Countryside.

Places that people love has always been a fundamental ethos for Countryside. However, through the work we did with our people to understand our values and in thinking about the impact we can have in environmental and social sustainability, our purpose has evolved.

OUR PURPOSE

Our company purpose is now:

We create places where people love to live, with sustainable communities built to last.

OUR VALUES

Underpinning our purpose, and helping to shape our culture going forward, are four new values. We see these values as critical to developing and delivering an impact-driven sustainability programme.

Our new values are:

We really care
We grow together
We take pride
We always deliver

To find out more about the ways we engaged with our people to develop our purpose and values, please read page 49 in our Annual Report and Accounts.

Here are some of the ways we see our new approach to sustainability exemplifying our values and purpose.

<p>WE REALLY CARE</p>	<p>Engaging effectively with local communities to understand their needs and responding with beautiful and thoughtful developments.</p> <p>Putting in place a new biodiversity strategy that supports nature to thrive and creates lovely green spaces for people.</p>
<p>WE GROW TOGETHER</p>	<p>Collaborating with partners to address key social and environmental issues, including:</p> <ul style="list-style-type: none"> – Reducing the industry skills gap – Innovating to respond to the net zero carbon homes challenge – Supporting local employment and suppliers
<p>WE TAKE PRIDE</p>	<p>Building high-quality homes that have good daylight and air quality, and are energy and water efficient.</p> <p>Providing excellent customer service in all our interactions, including helping new homeowners to maximise the performance of their home.</p>
<p>WE ALWAYS DELIVER</p>	<p>Driving better and modern methods of construction and innovation through our factories and on site to build great homes with less waste.</p> <p>Learning from our past experiences by gathering pertinent social and environmental impact data to identify opportunities for best practice on future developments.</p>

Our new approach to sustainability

A LOOK AT OUR NEW SUSTAINABILITY APPROACH...

In creating our new approach to sustainability, we are working hard to ensure that our areas of focus are the right ones for our stakeholders and for Countryside.

We must also ensure that we respond effectively to new regulations, standards and changing societal needs. While, at the time of publishing this report, our full approach has not been finalised, there are some elements we can share now.

During 2019, we undertook a review of our existing sustainability activities and objectives. We worked with an external agency to carry out interviews across Countryside to identify emerging sustainability issues for our business. We also undertook a peer review and benchmarking exercise. The knowledge and insights we gained will help to inform our new sustainability approach.

AN IMPACT-DRIVEN APPROACH

We cannot make the kind of significant positive impact we want without focusing our efforts. To determine which areas of sustainability to address, we will use three lenses of impact:

1

Is it material to our business and stakeholders? (Materiality)

2

How does it support our purpose, business strategy and risk management? (Intentionality)

3

Does it create a positive social or environmental outcome? (Additionality)

MEETING OUR EXISTING COMMITMENTS

We have previously committed to some important global initiatives that we continue to see as critical to any new sustainability approach.

THE UN SUSTAINABLE DEVELOPMENT GOALS ("SDGs")

The SDGs are a call to arms for every government and business. We are committed to playing our part, but we want to focus on the SDGs where we can have the most impact. As a first step this year, we have aligned our material issues to the key SDGs they support. Please see page 15 for more details.

THE TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES ("TCFD")

The TCFD and its requirement for science-based carbon targets were a welcomed initiative for business, providing clear expectations from investors around climate change governance, reporting and action. Over the course of 2021, we will review our existing climate change governance and risk management framework to identify areas for improvement as well as engage external expertise to develop science-based carbon targets.

SOME AREAS OF FOCUS

We are committed to supporting the Government's sustainability ambitions, and some of these will feature heavily in the approach we take forward. For example, we are already considering how we will meet the Future Homes Standard and the new Biodiversity Net Gain requirements.

However, we are also thinking about other areas where we can make a positive impact, from how we can create social and economic value in communities to how we can eliminate waste from sites and support a circular economy.

We look forward to sharing our ambitious approach to sustainability soon.

“

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Stakeholder engagement

BUILDING SUSTAINABLE RELATIONSHIPS

At Countryside we strive to forge strong and lasting relationships with our stakeholders to ensure we meet their needs and drive long-term business success.



Dash, Hoxton

PARTNERS



Fresh Wharf, Barking

Creating mutually beneficial relationships with our partners helps us to maintain our reputation as a preferred delivery partner. We partner with local authorities and housing associations to deliver quality affordable homes that address local needs and those of their tenants. We work with Homes England and a number of commercial partners in the Private Rented Sector ("PRS").

WHAT THEY TELL US

Engaging with local communities and regeneration are key priorities, particularly in our Partnerships business, which specialises in urban regeneration of public sector land. Our partners are committed to creating sustainable communities that are built to last. They are looking for us to identify opportunities to source local labour and suppliers as part of their wider programme of social value generation.

SOME OF THE WAYS WE ENGAGE

- Engagement with large housing associations through the G15, the group of London's largest housing associations and other forums
- Through our active membership in the House Building Federation
- District Council Networks, County Council Networks, Civic Voice and National Planning Forum
- Regular meetings and forums

WHAT WE ARE DOING

We engage with our partners early in planning discussions and master planning. We hold public engagement events with residents and local communities to ensure their ideas and concerns are considered. 64% of homes delivered in 2020 were affordable or for PRS. Local labour and suppliers are promoted and measured using the Social Value Portal platform.

64%

of homes delivered in 2020 were affordable or for PRS

Stakeholder engagement continued

EMPLOYEES



Oaklands Hamlet, Chigwell

Our employees are our most valuable and trusted resource. Our success relies on their dedication to delivering excellence every day. We work hard to support and develop our people, and to be an attractive employer.

WHAT THEY TELL US

Our staff survey told us that having a good work life balance is important, including flexible working. Employees want training and the opportunity to develop and progress. They want to feel supported and that their opinion and feedback matters. Over 1,500 employees participated in our survey about values in 2020.

SOME OF THE WAYS WE ENGAGE

- Regional Employee Engagement Groups
- Employee suggestion scheme
- “Time to Talk” sessions
- Staff surveys and regular communications from the CEO

WHAT WE ARE DOING

- We employ nearly 100 apprentices and 24 graduates
- Introduced a new policy allowing employees to volunteer to support charity and community organisations
- Delivered over 100 training courses to more than 1,000 delegates
- Responded to employees’ need for flexibility with a new “Flex Appeal” scheme
- Trained additional Mental Health First Aiders
- Launched the Countryside Way, a new set of values

“Our staff survey told us that having a good work life balance is important, including flexible working. Employees want training and the opportunity to develop and progress.”

SUPPLY CHAIN PARTNERS



Beam Park, Dagenham

Our suppliers and sub-contractors are critical to helping us deliver quality homes nationwide. As sustainable construction and zero carbon homes requirements increase, we will need to draw on their expertise and innovation.

WHAT THEY TELL US

They want to be paid on time and to work in an environment that is safe and well managed and where they feel part of a team. We hold regular meetings with our supply chain partners throughout our delivery programme, where opinions and ideas can be shared and put into practice.

SOME OF THE WAYS WE ENGAGE

- Pre-qualification process that details key sustainability requirements
- Regular meetings to promote good working relationships and information sharing
- Inclusion in our “on-site” training briefs and training sessions
- Supplier and contractor surveys

WHAT WE ARE DOING

- Key policies available publicly to outline the sustainability aspirations we have for our supply chain
- Due diligence checks on our supply chain
- Regular supplier performance reviews
- Zero tolerance approach to modern slavery on site or within our supply chain, as detailed in our Modern Slavery Statement

CASE STUDY

During the Covid-19 pandemic, we wanted to make sure that we addressed any concerns our supply chain might have about site safety. We issued a survey, which was well received.

- 89% felt we had good health and safety standards compared to other housebuilders
- 84% felt the measures we introduced allowed site operatives to be productive
- 88% felt sufficient controls were put in place for social distancing and hygiene

“Countryside has set the standards for all housebuilders.”

A quote from a supplier in the survey

Stakeholder engagement continued

INVESTORS



Rochester Riverside, Kent

Regular engagement has identified a growing interest in sustainability amongst our investors with greater expectations regarding our approach and results.

WHAT THEY TELL US

Investors are looking to understand how effectively we identify and mitigate sustainability risks, so having transparent data and clear targets is important. The sustainability approach must align with the business strategy and respond effectively to emerging Government regulations. Critical global risks, like climate change, should be set high on a company's agenda.

SOME OF THE WAYS WE ENGAGE

- Annual General Meetings
- Quarterly trading update, including full year and half year results
- Investor conferences and virtual roadshows
- Board interaction

WHAT WE ARE DOING

We participate in a number of key investor benchmarks, such as FTSE4Good and the Carbon Disclosure Project ("CDP") to help our investors interpret our sustainability performance. We have appointed a Group Sustainability Director, who will drive forward a new approach to sustainability that focuses on impact and performance.

“

We participate in a number of key investor benchmarks, such as FTSE4Good and the Carbon Disclosure Project ("CDP") to help our investors interpret our sustainability performance.”

CUSTOMERS AND COMMUNITIES



Beaulieu Oaks, Chelmsford

We aim to build places that people love. We can only achieve this when we listen closely to the needs of our customers and deliver on our promises. We are committed to creating communities built to last. Maintaining positive, strong relationships with our customers and communities is crucial to this.

WHAT THEY TELL US

People do not just want to buy a house; they want to be part of the community. They want a place that is thoughtfully designed, connected and beautiful. Local amenities like schools, libraries and doctors surgeries are important, as is a masterplan that prioritises walk-ability. The pandemic has put a renewed focus on the value of community and placemaking, which we are working to address.



CASE STUDY

At Acton Gardens in London, our £600m regeneration scheme in partnership with L&Q, we asked schoolchildren from Berrymede Junior School to design their dream cycle routes around the development as part of the "Bike to School" Week. Five designs were shortlisted with book vouchers as a prize.

“

Cycling is a key part of the Acton Gardens lifestyle and working with the pupils at Berrymede Junior School has been inspiring as we get to understand the development and its merits through their eyes.”

Mike Woolliscroft

Chief Executive,
Partnerships South, Countryside

Stakeholder engagement continued

CUSTOMERS AND COMMUNITIES CONTINUED

SOME OF THE WAYS WE ENGAGE

- Regular consultation with local communities through the planning process and with customers through their buying journey
- Development-specific websites and social media to reach a wide group of people
- Home buyer demonstrations and “Meet the Builder” on-site sessions for customers

WHAT WE ARE DOING

- Launched our £1m Communities Fund to support local charities and food banks. £760,095.12 spent to date
- Gathering data from all our live projects to understand the local economic social value impact we create
- Engaging with local communities from the planning stage right through to project completion
- Local school presentations
- Actively seeking out opportunities and events for local labour and suppliers where possible
- Focusing on delivering high-quality homes on time and communicating with customers at every step of their buying process

CASE STUDY

Countryside is working with Chelmsford City Council (“CCC”) on a masterplan for approximately 1,000 new homes in South Woodham Ferrers, Essex. Community engagement has been at the heart of the masterplan’s development. A joint consultation by Countryside and CCC was due to take place during the Covid-19 pandemic.

Working with a communications agency, Countryside developed a consultation programme with a range of methods specifically designed to overcome barriers to face-to-face engagement. The approach embraced new technology and methods, including:

- Doubling the consultation length from three to six weeks
- Tracking and hand-delivering consultation packs to every property (7,100) with a freepost return
- A comprehensive website with innovative methods to increase user interaction and engagement, including a virtual “village hall” public exhibition; interactive masterplans with touchscreen functionality; recorded webinars on key topics; and a live web-chat function
- A dedicated freephone number direct to the project team for those not able to respond digitally or by post

The virtual exhibition received circa 3,500 views, a much higher level of interest than is normal at a physical consultation event. 275 consultation responses were received.

GOVERNMENT AND REGULATORS



Board visit to one of our factories

It is critical that we engage with Government and regulators regularly to ensure that we meet any legal requirements, but also to allow for discussion and debate around key initiatives. Housing availability and affordability, as well as the growing industry skills gap, are still major issues on the agenda. Sustainability issues, and particularly climate change, have seen a sharp increase in focus from Government and regulators lately.

WHAT THEY TELL US

The UK target for new homes is 300,000 a year. Government and regulators expect us to positively contribute to environmental and societal agendas and adhere to legislation. The UK Government has set an ambitious target to bring all GHG emissions to net zero by 2050, as well as introducing the new Future Homes Standard.

SOME OF THE WAYS WE ENGAGE

- Active member of the Home Builders Federation
- Complete mandatory reporting and disclosure schemes
- Fully co-operate with regulators during the planning and construction phases of our developments
- Build positive relationships with regulators and build local networks of contacts

WHAT WE ARE DOING

- Making solid investments to support our commitment to modern methods of construction with investment in our own timber frame factories
- Carry out regular legal reviews to ensure compliance
- Participate in regulator consultation groups



Fresh Wharf, Barking

Materiality assessment

MANAGING OUR MATERIAL ISSUES

In order to develop a clear and impact-driven approach to sustainability, we must understand the sustainability issues that matter most to our stakeholders and our business.

At a global level we use the UN Sustainable Development Goals ("SDGs") as a core assessment of our material issues. To reflect this, we have updated our materiality index this year to show how our material issues support the SDGs.

We engage with a range of stakeholders during the year, including customers, local communities, supply chain partners, policymakers and investors. This helps to inform our view of our material issues. Please see pages 10–13 for more details on our stakeholder engagement.

The corporate risk assessment process further informs our materiality assessment. This includes the risks and opportunities identified during the year by our Risk Management Committee, Investment Committee, Board, Executive Committee and Health, Safety, Environmental and Quality Committee.

Please see pages 16–18 to find out more about how we manage sustainability risks.

THE 9 SDGS WE SUPPORT



Beam Park, Dagenham

SPOTLIGHT ON SOME KEY MATERIAL ISSUES

COVID-19

The Covid-19 pandemic has had a significant effect on everyone. The risks and impacts of Covid-19 to the business became material in 2020. The lockdown in March led to site and office closures, and our priority was to safeguard the health, safety and well-being of our people, our partners and those living and working in the communities where we operate.

BREXIT

The UK's exit from the European Union continues to be a material issue for the business and our stakeholders. We engage with stakeholders to remain informed and responsive to proposed changes in legislation, workforce and material availability, among other issues.

INCREASING GOVERNMENT EXPECTATIONS

The significant increase in ambition by the Government around key environmental issues like climate change and biodiversity, as well as the increasing expectations from new regulations and legislation like the Environment Bill, the Future Homes Standard and Net Zero Carbon Homes will require a significant amount of resource and programme of work to address. Stakeholders have also made it clear that these are priorities for them as well.

Materiality assessment continued

OUR MATERIALITY ASSESSMENT

In 2020, we worked with Brunswick Group to explore existing and emerging sustainability and business trends, as well as public awareness of sustainability issues. This was in addition to an internal review of our existing list of material issues. We have reduced the number of material issues from 30 to 12 by grouping issues under more macro-level themes.

We commit to completing a full review of our material issues with external stakeholders within the next two years.

KEY

- No change
- ↑ Increasing in importance

	Availability & affordability of housing	Health, safety and well-being; Covid-19	Skilled labour force, local employment opportunities; being a good employer	Financial stability & good governance	Legal & regulatory compliance, Brexit	Responding to climate change	Placemaking & community development	Increasing biodiversity and wildlife	Resource efficiency & waste	Infrastructure & sustainable transport	Sustainable procurement of materials and labour	Reputation, product quality and customer care
LEVEL OF IMPORTANCE TO STAKEHOLDERS AND COUNTRYSIDE	VERY HIGH						HIGH			MODERATE TO HIGH		
MOVEMENT	→	↑	→	↑	→	↑	↑	↑	↑	→	→	→
UN SUSTAINABLE DEVELOPMENT GOALS												
GOOD HEALTH & WELL-BEING		●			●		●	●				
QUALITY EDUCATION			●		●							
AFFORDABLE & CLEAN ENERGY	●					●	●		●			
DECENT WORK & ECONOMIC GROWTH			●		●						●	
INDUSTRY, INNOVATION & INFRASTRUCTURE			●	●		●				●		●
SUSTAINABLE CITIES & COMMUNITIES	●					●	●					●
RESPONSIBLE PRODUCTION & CONSUMPTION						●			●		●	●
CLIMATE ACTION					●	●						
LIFE ON LAND					●	●		●				

Governance and risk

HOW WE MANAGE RISK AND SUSTAINABILITY

A robust and agile governance framework is key to delivering lasting and positive sustainability outcomes within our operations and in the communities we build.

At Countryside, governance for sustainability is led by the Board of Directors, who set the direction and ambition for the business. The Sustainability team, led by the Group Sustainability Director, oversees the day-to-day management of sustainability, reporting to a member of the Executive Committee. Dedicated committees and a suite of policies, procedures and management systems help to manage governance at the different levels below this.

At a corporate level, the Board is responsible for managing the key sustainability risks that might impact on the wider business strategy, such as climate change. This responsibility is delegated to the Executive Committee; Health, Safety,

Environmental and Quality (“HSEQ”) Committee; and Social Value and Sustainability Committee. The Sustainability team manages the Company’s Aspects and Impacts Register, which is fed into the corporate risk register on a quarterly basis via the Risk Management Committee.

Site-specific environmental and quality risks are discussed at the quarterly HSEQ Committee meeting. The Committee will develop risk management and improvement strategies as required and monitor progress.

In 2018, a Social Value and Sustainability Committee was formed to oversee social sustainability matters, risks and opportunities. This Committee met every other month and has focused primarily on ensuring robust internal data collation and internal processes around measuring social value.

Looking forward to 2021, we aim to develop a more impact-driven sustainability approach across the business. We have decided to end the current Social Value and Sustainability Committee, replacing it with a new Sustainability Committee. This Committee will be chaired by a Non-Executive Director and oversee both environmental and social sustainability risks and opportunities. It will monitor our performance against our targets and help to identify potential improvement projects or strategic areas of focus. Different business functions will participate in the three meetings held across the year.

A robust planning process helps us to identify risks and opportunities for each development early on. These are then fed into our masterplan and technical designs, as well as communicated to the construction teams using our pre-start processes and procedures.

Any risks we identify are managed during project development and construction by trained employees and monitored by both our Health and Safety team and our Sustainability team through inspections and audits. During 2020, we made the CITB Site Environmental Awareness Training Scheme (“SEATS”) mandatory for construction teams to help better equip them to identify and manage environmental risks on site. 75 people have been trained to date. We offer the CITB Director’s Role for Health and Safety training course to our senior management. Since launching the course, 129 people have been trained.

We also have an online Environmental Awareness training module that is mandatory for all new starters to the business, and in 2020 all existing staff were required to re-take the training module to ensure they remained aware and vigilant.



Acton, Ealing

Governance and risk continued

The success of our sustainability agenda is built on a strong foundation of processes and management systems. In 2020 we maintained our certification to international standards:

- ISO 14001:2015 Environmental Management
- ISO 45001:2018 Occupational Health and Safety Management (previously OHSAS 18001)
- ISO 9001:2015 Quality Management (including at our timber frame factories)

Our management systems will continue to grow with the business, to ensure we have consistent high standards and uniformity. The Covid-19 pandemic disrupted our planned audit programme, along with our planned expansion of the Group ISO programmes to our new regions and factories. The new regions and factories will be certified to ISO 9001 and ISO 14001 under our Group management system by the end of 2021. Going forward, we plan to audit all active construction sites and factories over a three-year cycle to accommodate our planned geographical expansion.

IMPROVING OUR RISK MANAGEMENT FRAMEWORK

During 2020, the risk management framework in place for sustainability was reviewed. The internal review identified a number of strengths in the existing procedures, but also the need to streamline how risks and opportunities relating to sustainability are identified and communicated across the business. We have already taken proactive steps to address this with the Sustainability Director and Associate Director attending monthly divisional board meetings to allow for better internal communication around emerging risks and opportunities.

	HEALTH AND SAFETY	QUALITY	ENVIRONMENT
CORPORATE	Legislation register	Corporate risk register	Aspects and impacts and legislation register
	Sustainability policies		
	Committees and divisional boards		
OFFICES	Office-based risk assessments		Office-based environmental risk register
	Contractor risk assessments, COSHH assessments and method statements		
	Fire risk assessments		
LAND ACQUISITION	Land acquisition pack and checklist		
	Soil surveys		
	Flood risk assessments		
			Environmental surveys (e.g. ecology, ground contamination)
PRE-START	Design risk assessment		
	Start on-site packs and checklists		
	Engagement with interest groups, networks and local authorities		
SITE	Employees' and trades' Health, Safety and Environmental Awareness training		
	Fire risk assessment		Site-specific environmental risk register
	Site health and safety risk assessments		
	Sub-contractor health, safety and environment risk assessments, COSHH assessments and method statements		
POST-COMPLETION	Customer services health, safety and environmental risk assessments, COSHH assessments and method statements		
CONTROLS			
Internal audit, third-party audit, management review, checklists, meetings and surveys			

Governance and risk continued

CLIMATE-RELATED RISKS

We recognise that climate change is one of the most pressing and challenging risks facing the world. How we play our role in responding to this significant risk will be a key component of our sustainability approach going forward.

To do this, short-, medium- and long-term risks need to be identified and assessed; action plans and targets put in place; and, most importantly, commitment must be fully supported and embedded from the Board down to the grass roots.

We received a score of D in our 2020 CDP Carbon Response in part because these measures were not yet in place. However, we are committed to introducing them as part of our new sustainability approach, so we hope to report an improved score in the CDP in 2021.

We currently monitor and report our performance for:

- Power demand for our offices, factories and developments, monitored on a quarterly and annual basis
- Scope 1 and 2 emissions in tonnes which are reported annually, internally and externally
- Total tCO₂e per employee from business travel reported annually

Full detail on our year-on-year progress relating to key environmental and social metrics is available on pages 19–23.

To address climate-related risks and opportunities in the medium to long term we are currently exploring the following areas:

- The use of lower-emission sources of energy and more efficient technologies in homes and during construction

- Engaging with our supply chain to mitigate the risk of resource scarcity and more unstable supply chains, and the potential impact on the type of homes we build or our build programmes
- The significant opportunities from wider use of modern methods of construction to reduce the embodied carbon emissions of our homes
- Understanding and responding to our customers' needs around energy efficiency and any changes in homes' technologies and lifestyle
- Strategies to address more frequent adverse weather events and build resilience in our operations and on the developments we create

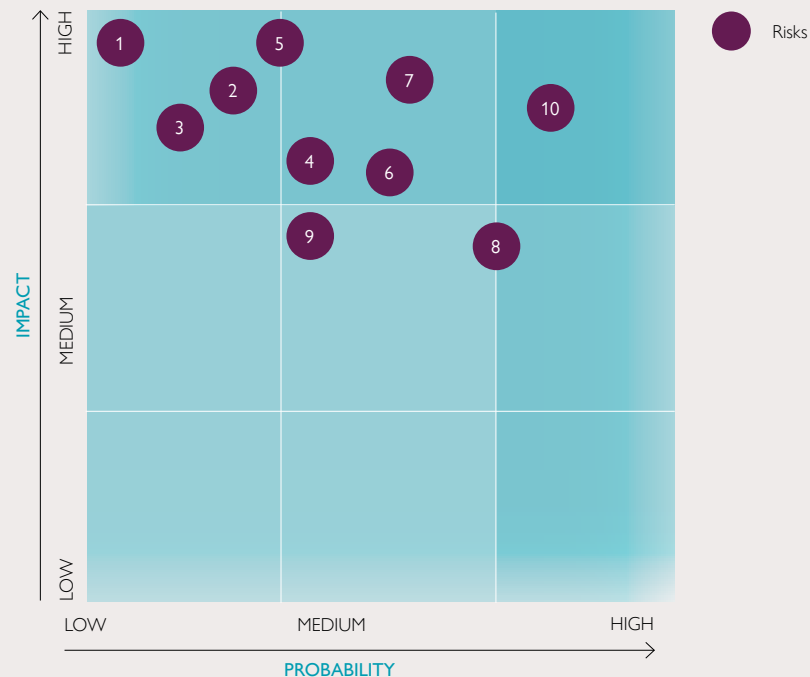
MODERN METHODS OF CONSTRUCTION

Adopting modern methods of construction, like modular timber frames, is key to delivering homes at scale, pace and quality, whilst also delivering more sustainable outcomes for the business. Modular timber frame manufacturing has a number of environmental benefits, including reductions in waste and energy consumption, and improved thermal efficiency of the homes in use. We have already invested nearly £6m into our manufacturing facility in Warrington, which produces fully formed closed panel timber frames. We have also invested circa £20m in the construction of a brand new factory in Bardonia, Leicestershire, targeted to be operational by 2021.

HEAT MAP OF OUR KEY SUSTAINABILITY RISKS

Risks

- 1 Failure to comply with existing laws and regulation, leading to environmental or reputation damage and fines
- 2 Failure to respond effectively to emerging environmental legislation, e.g. Biodiversity Net Gain
- 3 Failure to adequately prepare for more rigorous building regulations and increasing quality performance standards in our housebuilding activities
- 4 Failure to fully embed our sustainability approach within the business strategy
- 5 Inability to effectively respond to increasing investor disclosure requests and expectations around sustainability, leading to divestment
- 6 Failure to respond to increasing public awareness and expectations around our social and environmental impact
- 7 Not identifying and responding to predicted climate change risks and impacts
- 8 Failure to engage and support our supply chain to meet our sustainability goals
- 9 Not understanding stakeholders' expectations, needs and aspirations, resulting in an unresponsive sustainability approach
- 10 Rising costs and potential supply uncertainty for energy and raw materials



Our 2020 performance

These tables provide an overview of key environmental, social and financial performance metrics. They include data on our people, and our operational carbon footprint, as well as details on the sustainability features we have introduced to our developments in the year. This is the first year that we are able to provide normalised data for our factories. We are committed to transparency, simplicity and clarity with our data. We continually seek to improve our data capture and analysis. As part of our new approach to sustainability, we will be introducing targets and measurement indicators to drive performance in our key areas of work and we look forward to announcing these in 2021.

In previous Countryside Sustainability Reports, we had a number of sustainability objectives that sought annual improvement in performance. Given that we will be introducing new targets and KPIs in 2021, we are not detailing any new sustainability objectives in this report. However, we would like to report our performance against our previously stated objectives from 2019, which we have done here. This will be the last time that we report against these objectives.

OUR FINANCIAL PERFORMANCE

	2020	2019	2018
Revenue (£m)	988.8	1,422.8	1,230
Adjusted operating profit (£m)	54.2	234.4	211.4
Adjusted operating margin (%)	5.5%	16.5%	17.2%
Return on capital employed (%)	7.1%	37.8%	37.4%
Land bank (no.)	53,118	49,000	43,523

OUR PEOPLE

Despite the Covid-19 pandemic, Countryside has continued to grow with an average headcount of 1,947 in the year, up 7% on 2019. Our People Strategy remains simple and focused: enable the business to grow by recruiting, developing and retaining the best talent. We are pleased to report an increase in the number of internal promotions in the year as well as a lower employee turnover rate. We saw a slight decrease in the percentage of women in our senior management, but our aim remains to see more diversity at all levels of the business. In 2021, we plan more work in this area. To find out more about our people, please read the Annual Report and Accounts on pages 46–49.

	2020	2019	2018	2020 Sustainability Objective	Status
Total number of employees (average)	1,947	1,823	1,818		
Employee turnover rate (%)	17.89%	21.07%	19.06%		
Total male employees (%)	69%	70%	71%		
Total female employees (%)	31%	30%	29%		
Male Board members (%)	71%	71%	58%		
Males in senior management(%)	84%	83%	83%		
Female Board members (%)	29%	29%	42%		
Females in senior management (%)	16%	17%	17%	Target improvement in the gender diversity rate among senior management compared to 2019	●
Total number of apprentices (at Year End)	44	40	38		
Total number of graduates (at Year End)	24	27	14		
Total number of internal promotions	145	117	99		
Number of absences per employee (average days taken)	3.9	4.2	4.9		
Annual Injury Incidence Rate	224	227	162	Aim to reduce the Annual Injury Incidence Rate compared to 2019	●

Our 2020 performance continued

OUR CUSTOMERS AND HOMES

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

	2020	2019	2018	2020 Sustainability Objective	Status
Private units	1,454	2,177	1,995		
Affordable units	1,691	2,179	1,491		
Private Rented Sector units	908	1,377	816		
Standard Assessment Procedure ("SAP") score	83.80	84.60	92.27	Achieve a higher rating compared to our 2019 score	●
NHBC Reportable Items per inspection	0.22	0.21	0.22		
NHBC Recommend a friend score (%)	90.6%	92.5%	84.5%	Achieve a higher rating compared to our 2019 score	●
Developments with homes that feature renewable technology (%)	26%	30%	25%		
Developments built on brownfield land (%)	58%	67%	64%		

OUR COMMUNITIES

Where we live has a powerful effect on our lives, from the lifestyles we lead to the types of transportation we use, to the schools our children attend and the outdoor spaces we go to relax. This is why we are committed to creating places that people love. In 2020, 67% of our developments featured a public green space and we planted over 2,800 new trees. We carry out ecology surveys on all new sites and undertake additional specialist surveys when necessary, such as bat surveys. We increasingly provide electric charging points on our developments, from 16% in 2019 to 21% in 2020, as well as features to reduce customers' dependence on cars, such as cycling storage. 97% of our developments are within walking distance of public transport.

	2020	2019	2018	2020 Sustainability Objective	Status
Developments with community spaces/buildings provided (%)	34%	24%	n/a		
Developments located within 1km of public transport (%)	97%	97%	96%		
Developments with electric charging points (%)	21%	16%	25%		
Developments with cycle storage (%)	69%	66%	72%		
Developments with access to car clubs (%)	3%	3%	n/a		
Developments with public green spaces created (%)	67%	64%	n/a		
Total number of trees planted	2,806	6,162	7,320		
Developments that feature green roofs (%)	12%	13%	23%		
Developments with ecological surveys conducted (%)	100%	100%	92%		
Developments with Biodiversity Action Plans in place (%)	42%	39%	37%		
Developments with Sustainable Urban Drainage in place (%)	87%	75%	89%		

Our 2020 performance continued

OUR OPERATIONAL IMPACT

We recognise the critical importance to reducing the environmental impact of our operations. From the amount of diesel needed to power generators to the energy involved in drying out a newly built home or powering our site cabins to water being used to safely dampen down the site, every action has an impact. In 2021, as part of our new sustainability approach we will be reviewing the different aspects of our operations to identify where we can achieve significant reductions and put in place improvement programmes.

	2020	2019	2018	2020 Sustainability Objective	Status
Group total CO ₂ e emissions (tonnes) (Scope 1, 2 and 3)	9,467	9,081	7,621		
Group total CO ₂ e emissions (tonnes) by £m revenue	9.57	6.38	6.20		
Group total CO ₂ e emissions (tonnes) per employee	4.86	4.98	— ¹		

¹ In 2018, the Scope 3 emissions per person were calculated using a different normalisation figure (1,307 directly employed staff), to Scope 1 and 2 emissions per person (1,753 directly employed staff); therefore, we have not provided an overall total for our 2018 office emissions. Total Scope 1 and Scope 2 tCO₂e per employee was 0.34 in 2018 and the total Scope 3 tCO₂e was 1.27.

OUR OFFICES

The total carbon footprint for our offices has decreased in the year by 4.63% through a reduction in electricity use and business travel by our fleet. These reductions are primarily due to the changes in working practices in response to the Covid-19 pandemic. From March 2020, we encouraged employees to work from home and our sites were closed for several months. This reduced the amount of business travel between offices and sites, as well as energy and water demand in our offices. Originally, an office refurbishment for our head office in Brentwood was planned for 2020, which was to include energy efficiency measures, but this has been postponed to a future date when normal working practices resume.

	2020	2019	2018	2020 Sustainability Objective	Status
Total CO ₂ e (tonnes)	2,261	2,371	2,261		
Total CO ₂ e per employee (tonnes)	1.16	1.28	— ¹		

SCOPE 1

Gas CO ₂ e (tonnes)	150	99	203		
Total CO ₂ e per employee (tonnes)	0.08	0.05	0.12	Reduce our Scope 1 tCO ₂ e per employee against our 2019 performance	●

SCOPE 2

Electricity CO ₂ e (tonnes)	320	445	402		
Total CO ₂ e per employee (tonnes)	0.16	0.24	0.23	Reduce our Scope 2 tCO ₂ e per employee against our 2019 performance	●

SCOPE 3

Business travel CO ₂ e (tonnes)	1,791	1,827	1,656		
Total business travel CO ₂ e per employee (tonnes)	0.92	0.99	1.27	Reduce our Scope 3 tCO ₂ e footprint per employee against our 2019 performance	●

OFFICE WATER USE

Water use (m ³)	5,975	9,361	10,387		
Total water use (m ³) per employee	3.1	5.1	5.9	Reduce the total amount of water use per employee against our 2019 performance	●

¹ In 2018, the Scope 3 emissions per person were calculated using a different normalisation figure (1,307 directly employed staff), to Scope 1 and 2 emissions per person (1,753 directly employed staff); therefore, we have not provided an overall total for our 2018 office emissions. Total Scope 1 and Scope 2 tCO₂e per employee was 0.34 in 2018 and the total Scope 3 tCO₂e was 1.27.

Our 2020 performance continued

OUR SITES

In 2020, the normalised carbon footprint for our site activities increased by 27% (from 1.11 tCO₂e/m² to 1.41 tCO₂e/m²). This sharp increase is primarily due to a smaller amount of developed area built in the year after our sites shut down for several months due to the Covid-19 pandemic. We have also reported an increase in our absolute figures for 2020, seeing an increase of 6.64% (from 6,578 tCO₂e in 2019 to 7,015 tCO₂e in 2020). Reducing the carbon footprint of our site operations will be a key component of our net zero carbon approach going forward.

	2020	2019	2018	2020 Sustainability Objective	Status
Total CO ₂ e (tonnes)	7,015	6,609	5,360		
Total CO ₂ e (tonnes) per m ² built ¹	1.41	1.11	1.4	Reduce the total emissions per m ² built against our 2019 performance	●
SCOPE 1					
Gas CO ₂ e (tonnes)	1,343	889	1,196		
Diesel CO ₂ e (tonnes)	4,231	4,389	3,161		
Total CO ₂ e (tonnes)	5,574	5,278	4,357		
Total CO ₂ e per m ² built (tonnes)	1.12	0.9	1.1	Reduce our Scope 1 emissions per m ² built against our 2019 performance	●
SCOPE 2					
Electricity CO ₂ e (tonnes)	1,441	1,331	1,003		
Total CO ₂ e per m ² built (tonnes)	0.29	0.21	0.3	Reduce our Scope 2 emissions per m ² built against our 2019 performance	●
SITE WATER USE					
Water in (m ³)	15,891	22,816	33,414		
Total water in (m ³) per 100m ² built	3.18	4.00	8.00	Reduce the amount of water use per 100m ² built against our 2019 performance	●
Water out (m ³)	11,167	n/a	n/a		
Total water out (m ³) per 100m ² built	2.23	2.00	n/a		

¹ The total area built in 2020 was 499,710m². In 2019 it was 603,173m². In 2018 it was 397,702 m².

OUR FACTORIES

Our financial year 2020 is the first full year of data available to provide normalised data for our factories. Therefore, this is being set as our baseline for future performance improvements. In 2018, we opened our factory in Warrington and in 2019 we acquired our factory in Leicester. Total consumption of energy is higher in 2020 compared to 2019 because full production only began in our Warrington factory in September 2019. We did not set any objectives for our factories' performance in 2020.

	2020	2019	2020 Sustainability Objective	Status
Total CO ₂ e (tonnes)	191	101		
Total CO ₂ e per 100 linear metres produced (tonnes) ¹	0.13	—		
SCOPE 1				
Gas CO ₂ e (tonnes)	0	2		
Diesel CO ₂ e (tonnes)	10	12		
LPG CO ₂ e (tonnes)	36	0		
Total CO ₂ e (tonnes)	46	14		
Total CO ₂ e per 100 linear metres produced (tonnes)	0.03	—		
SCOPE 2				
Electricity CO ₂ e (tonnes)	145	87		
Total CO ₂ e per 100 linear metres produced (tonnes)	0.1	—		
FACTORIES' WATER USE				
Water in (m ³)	1,060	1,036		
Water in (m ³) per 100 linear metres produced	0.76	—		
Water out (m ³)	1,422	1,036		
Water out (m ³) per 100 linear metres produced	1.01	—		

¹ Total linear metres produced in our factories in 2020 was 140,196 (2019: not calculated).

Our 2020 performance continued

WASTE ACROSS OUR OPERATIONS

The total amount of waste produced across our operations increased by 7.41% in 2020. In reviewing our data, it is clear that inert and timber waste are two of our biggest waste streams in our site operations. As part of a new waste strategy being put in place for 2021 we will be introducing new measures on site to reduce these waste streams. Some potential solutions being explored are improved material storage, better forecasting of waste and reuse of materials, especially timber. We also saw a rise in the total waste produced by our offices, which is primarily due to our business expansion in 2020 with two new offices opening in Leeds and Ealing.

	2020	2019	2018	2020 Sustainability Objective	Status
Total waste (tonnes)	45,492	42,353	31,042		
OFFICE WASTE					
Total waste (tonnes)	439	179	318		
Total waste (tonnes) per employee	0.23	0.10	0.18		
Total % of waste recycled	77%	84%	83%	Increase the percentage of waste recycled in our offices against our 2019 performance	●
SITE WASTE					
Total waste (tonnes)	44,162	41,728	30,724		
Total waste (tonnes) per 100m ² built	8.8	6.9	7.7	Decrease the amount of waste produced per 100m ² completed against our 2019 performance	●
Total % of waste reused/recycled/composted	94.4%	85.2%	81.3%		
Total % of energy from waste	4.1%	12.3%	18.1%		
Total % of waste diverted from landfill	98.5%	97.5%	99.4%	Increase the percentage of site waste diverted from landfill against our 2019 performance	●
FACTORY WASTE					
Total waste (tonnes) ¹	895	446			
Total waste (tonnes) per 100 linear metres produced	0.64	—			
Total % of waste reused/recycled/composted	97%	79%			
Total % of energy from waste	2.5%	18%			
Total % of waste diverted from landfill	99%	98%			

¹ The total volume of waste for our factories in 2020 is being restated as 895 tonnes from the 891 tonnes reported in the 2020 Annual Report and Accounts. This is due to a review of the waste carrier data. As a result, the total percentage of energy from waste at our factories has also increased to 2.5% from the 2.0% published in our 2020 Annual Report and Accounts.

Our benchmark scores



FTSE4Good

2020	2020
Carbon (D)	3.7
Forests (C)	
2019	2019
Carbon (C)	3.8
Forests (C)	
2018	2018
Carbon (C)	3.7

Verification statement

SCOPE

RPS conducted an independent verification of Countryside Properties PLC's ("CPPLC") Sustainability Report (covering the period October 2019 – September 2020). This is the twentieth year that CPPLC has had its report externally verified.

The purpose of the verification statement is to provide assurance to all stakeholders that the claims and data contained in the report are based on actual and reliable information. The scope for RPS's verification was to:

- Conduct high-level data verification of performance measures identified in the report;
- Review the validity and accuracy of statements made in the report; and
- Undertake limited verification of scope 1 and 2 greenhouse gas (GHG) emissions in accordance with the requirements of the ISO 14064 – part 3 standard.

METHODOLOGY

CPPLC's GHG inventory has been completed in accordance with the World Resources Institute (WRI)/ World Business Council for Sustainable Development (WBCSD) Greenhouse Gas Protocol, Corporate Accounting and Reporting Standard, Revised Edition, and adheres to the best practice reporting principles of relevance, completeness, consistency, transparency and accuracy.

In conducting the verification, RPS used the appropriate verification planning, validation, GHG assessment and evaluation steps in accordance with the requirements of ISO 14064:3, and in adherence to the standard's principles of independence, ethical conduct, fair presentation and due professional care.

In conducting the verification, RPS verified statements and data through interviews with key individuals at Group level and document review. Sample data streams were interrogated. Evidence of target achievement was reviewed to ensure consistency with reported progress.

CONCLUSIONS

During 2020, CPPLC developed a new set of values through engaging with its employees across the business. Allied with this has been a review of the materiality assessment forming part of the company's overall risk assessment process. The published report has been structured to reflect the result of this process within the overarching company's vision – 'Places People Love', which also informs a summary section included within the Annual Report and Accounts.

Systematic management of CPPLC's sustainability issues is maintained, with the use of management systems for quality, health and safety and the environment applied to all operating divisions. Smartwaste continues to be used as the principal data collection tool within the business.

The continued growth of the business has meant that it has been recognised that more internal resource is required with the appointment of a Group Sustainability Director and an Associate Sustainability Director. With these changes CPPLC is in the process of undertaking a review of its strategy and ongoing objectives and targets and, consequently, unlike previous years these are not reported.

During the reporting year progress has continued with embedding social value within the business although identifying how this can be fully quantified in financial terms is still in development.

Based on the agreed scope of work and the approach outlined above, nothing has come to our attention that causes us not to believe that, in all material respects, the CPPLC Sustainability Report 2020 provides a credible and fair representation of the organisation's sustainability performance.

With respect to the GHG emissions we declare that CPPLC have received limited verification for the reporting year 1 October 2019–30 September 2020 for the following:

- Scope 1 and 2 and selected Scope 3 emissions;
- year on year change in emissions (scope 1 and 2) compared to 2018–19;
- intensity metrics; and
- total energy consumption (electricity and natural gas) for 2019–20.

AREAS FOR IMPROVEMENT

RPS recommends that to further improve its reporting, Countryside should:

- develop and embed a GHG Accounting Protocol detailing process and assumptions to be used to ensure the same process is employed year on year;
- develop and embed Science Based Targets (SBT);
- progress its risk management and reporting processes to align with the Task Force for Climate Related Financial Disclosures;
- improve the collection of raw data and its input into data collection tools, such as Smartwaste;
- use the planned review of its objectives and targets to refine its approach to calculating its performance measures in order to promote comparability across its reporting and particularly with its peers; and
- continue to embed social value measuring policies across the Group and deliver auditable data.

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COUNTRYSIDE

Places People Love