Crest Nicholson PLC - Climate Change 2022

C0. Introduction

C0.1

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

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

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

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

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

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	November 1 2020	October 31 2021	No	<Not Applicable>

C0.3

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

United Kingdom of Great Britain and Northern Ireland

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

GBP

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C-CN0.7/C-RE0.7

(C-CN0.7/C-RE0.7) Which real estate and/or construction activities does your organization engage in?

New construction or major renovation of buildings

C0.8

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

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

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Chief Executive Officer (CEO)	Our Chief Executive Officer (CEO) is responsible for sustainability, including climate-related issues, and is ultimately accountable for the risks and opportunities that impact the business. The CEO chairs the Sustainability Committee, which aims to ensure that sustainability is integrated within the business. The Committee also has oversight of major issues and policies relating to sustainability and is responsible for overseeing the development and delivery of the strategic aims and initiatives to improve our ESG performance, including our response to climate change. With the CEO having responsibility for sustainability, this ensures there is accountability for climate change at the highest level of the corporation. As an example of a climate-related decision made in 2021, the CEO and Board approved the commitment to validate GHG emission targets through the Science Based Targets initiative.

C1.1b

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

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – all meetings	Reviewing and guiding strategy Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues	<Not Applicable>	The Group Production Director provides an update on our sustainability strategy and performance at each main Board meeting. Discussion at the meeting includes initiatives to mitigate our climate impact, progress against our targets, future climate strategy and how the business is responding to emerging climate-related regulations. The Group Production Director also provides a report and verbal update to the Executive Committee on a monthly basis. The report provides an update on key initiatives to mitigate our climate impact, as well as other sustainability issues. It also provides updates on performance against our GHG, renewable electricity and waste targets. The Executive Committee has two Board members in attendance, including the CEO. We have a Sustainability Committee, which meets quarterly and is chaired by our CEO. Future policy, emerging trends and current ESG performance are reviewed and plans are put in place to address. Key updates on ESG matters, including climate-related risks, are provided to the Board. The Climate Change, Sustainability, Sustainable Procurement and Sustainable Timber policies are all reviewed and signed off by the CEO.
Scheduled – all meetings	Reviewing and guiding major plans of action Setting performance objectives Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures	<Not Applicable>	All potential development projects must be reviewed and signed off by the Executive Leadership Team, including members of the Board, at our Project Committee meetings. Climate related risks, such as flood risk of the site, overheating risk of the homes and ecological impact will be reviewed and considered – and form part of the decision to proceed or not. Divisional board meetings take place monthly in which site progress is reviewed and progress against performance objectives are discussed. This includes potential climate-related risks and opportunities.

C1.1d

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

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues	Primary reason for no board-level competence on climate-related issues	Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future
Row 1	Yes	We assess the competence of board members based on the following criteria: Does the board member: • Have a general understanding of climate change, which includes: o The role of greenhouse gases and their impact on the climate o The risks and opportunities arising from a changing climate o The importance of reducing greenhouse gas emissions and opportunities to make reductions • Attend meetings in which climate change is a regular discussion point, e.g. Sustainability Committee	<Not Applicable>	<Not Applicable>

C1.2

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

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	More frequently than quarterly
Sustainability committee	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Other, please specify (Group Production Director)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	More frequently than quarterly
Other committee, please specify (Executive Committee)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	More frequently than quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

Chief Executive Officer (CEO)

The CEO has ultimate responsibility for sustainability, including climate change. This represents the significance to the business of managing our climate-related issues and ensures that sustainability is integrated into business operations. The CEO is responsible for the Group Sustainability policies, targets and initiatives to achieve the set targets. This ensures that accountability for climate-related issues is at the highest level of the corporation. The CEO chairs the Sustainability Committee, which meets on a quarterly basis.

Sustainability Committee

The Sustainability Committee is delegated authority from the Executive Committee to ensure sustainability matters are integrated within the business. The Committee has oversight of issues relating to sustainability throughout the Group and is responsible for overseeing the development and delivery of strategic aims and initiatives to improve performance. The CEO has ultimate responsibility for sustainability, including climate change, and chairs the Committee.

Key responsibilities of the Sustainability Committee include:

- Developing and monitoring the Group's approach to sustainability, including the impact on the environment and climate change

- Reviewing policies relating to sustainability, including the Climate Change Policy

- Reviewing suitability of and making recommendations to the Executive Leadership Team or Board in relation to sustainability metrics, KPIs and targets. Example: in 2021 the Committee recommended the development and submission of science-based targets to the Board.

- Reviewing the ongoing performance of agreed metrics, KPIs and targets, including our GHG emissions reduction targets

- Assessing ESG risks and opportunities

- Keeping abreast of current and emerging legislation, ensuring business compliance

Executive Committee

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

Group Production Director (GPD)

The GPD sits on the Sustainability Committee and manages the Group disciplines and key functional forums that support the delivery of outputs from the Committee. It is within their remit to engage with the relevant personnel across the business, including Board members and the Executive Leadership Team as required, to ensure that climate-related risks are reviewed and managed and climate-related business opportunities are seized. The Group Production Team provide a monthly update report to the Executive Committee, which includes sustainability and climate-related issues and performance updates against our GHG emission reduction targets. The Group Production Director also sponsors key Functional Forums that are responsible for ensuring delivery of our objectives, achieving targets, and embedding procedures within the business, and across the geographies in which we operate, through our operating divisions.

The Group Production Team has in-depth knowledge of climate-related issues, as well as current and potential future policy. This team completes an annual ESG risk assessment, which feeds into the group-wide risk management framework and assessment to ensure robust management measures are in place.

Climate-related issues are monitored through attendance at relevant events, webinars, seminars, and networking with peers. Newsletters, information from law firms, and online reading also provide the latest updates on climate-related issues relevant to both the industry and wider society. Key senior Executives sit on industry collaboration networks and provide feedback on any important matters relating to climate change to members of the Sustainability Committee. For example, colleagues across the business sit on various workstreams of the Future Homes Hub, which is an industry-wide collaboration to improve the sustainability performance of the homebuilding sector.

C1.3

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

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Corporate executive team	Monetary reward	Emissions reduction target	10% of the annual bonus is related to achieving a reduction in scope 1 and 2 emissions intensity compared to the FY2019 base year. This is communicated in the 2021 Annual Integrated Report.
Other, please specify (Employees on Group bonus scheme)	Monetary reward	Emissions reduction target	10% of the annual bonus is related to achieving a reduction in scope 1 and 2 emissions intensity compared to the FY2019 base year.
All employees	Monetary reward	Efficiency project	Employees are eligible to purchase a tax-free bike under the Government's cycle scheme.
All employees	Monetary reward	Emissions reduction project	Our company car scheme incentivises employees to choose low emission vehicles. Employees receive a 15% uplift in their company car benefit if they choose a low emission vehicle (≤110gCO2/km), either through the company car scheme or if they have a car allowance.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	3	Short-term is considered to be under 3 years. This covers the current operating climate, where existing legislation is likely to be in place for much of the time horizon.
Medium-term	3	10	Medium-term is considered to be between 3 and 10 years. This covers the period where legislation currently under consideration is more likely to take effect and have an impact on the business. It also aligns with the time period for our interim science-based targets out to 2030.
Long-term	10		Long-term is considered to be anything over a 10-year time horizon. This period is challenging to predict, but the macro-environment can be used to understand certain trends. While it is clear the climate has already, and is continuing to change, the physical risks relating to climate change are likely to have a more significant impact in the long term.

C2.1b

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

We define a strategic impact as substantive when the impact necessitates a change to our business strategy or has an impact, now or in the foreseeable future, on:

1. Our build programme or productivity,

2. Our business partnerships and reputation,

3. Our employees' health, well-being and productivity.

A substantive financial impact is considered to be an impact leading to a material change in the Group's revenue, profit or ROCE. Due to its subjectivity, Crest Nicholson has not defined a substantive financial impact, but in the financial year 2021, our external auditors set quantitative thresholds for materiality, which were used alongside qualitative considerations. Overall materiality for the Group financial statements was set at £6 million, which was approximately 6% of the FY2021 profit before tax and exceptional items.

C2.2

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

Value chain stage(s) covered
Direct operations
Upstream
Downstream

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
More than once a year

Time horizon(s) covered
Short-term
Medium-term
Long-term

Description of process
Risk management is embedded throughout our strategy and decision-making process in achieving our objectives. Our Risk Management Framework, as laid out in the Risk Management Policy, supports us in providing assurance that we have identified and are addressing our principal and emerging risks, which includes climate change. Our risk management framework is based on six principles ensuring a consistent, fit-for-purpose approach to managing risk at Crest Nicholson: 1. Risk Management is an integral part of business processes, including strategic planning and all project and change management processes and decision making. It helps decision makers make informed choices, prioritise actions and distinguish among alternative courses of action. 2. We check our assumptions at the door. Risk management explicitly addresses uncertainty by identifying and describing the nature and source of that uncertainty and helps us challenge our assumptions. 3. Ensuring we are taking enough of the right risks. Our risk management processes should ensure we are taking enough of the right risks within our risk appetite. 4. Through our risk management processes we sustain operational discipline and excellence. 5. Risk management is based on the best available information including historical data, experience, stakeholder feedback, observation, evidence, forecasts, and expert judgement. 6. Risk is dynamic, iterative, and responsive to change. Effective risk management should always consider the internal and external operating context. As external and internal events occur, context and knowledge change, monitoring and review of risk take place, new risks emerge, some change and others disappear. The Board has overall responsibility for risk management. It sets the Group's appetite for risk and provides support and oversight to management. The Board and Executive Leadership Team specifically consider risk twice a year. These reviews include the Group's risk appetite, output from analysis of divisional risks, a review of the Group's principal risks and whether any changes are required, including emerging risks. The Board is supported in its approach by the Audit and Risk Committee which has specific responsibility for monitoring financial reporting, internal and external audit programmes, oversight of risk management, as well as providing assurance to the Board on financial, operational and compliance controls, including management of climate-related issues. The Executive Leadership Team is responsible for implementing Group policies, risk management performance tracking, identifying principal risks (significant division-level and Group-wide risks) and ensuring resources are allocated for effective risk management and mitigation. Each divisional Board is responsible for identifying, assessing and monitoring their respective business and functional risks (divisional and asset level risks, including climate change) and measuring the impact and likelihood of the risk to the business. Significant areas of risk are subject to regular review as the business and the context in which it operates change. Divisional Boards formally update their risk register twice a year. Divisional risk registers are rolled up and form a part in updates to the Group Risk Register. Divisional and Group Risk exercises include review of risks and decisions on risk ratings (inherent, residual and target scores) trend, impact, and action (treat the risk, tolerate, transfer or terminate). Climate-related risks and opportunities are identified at three levels: group-wide, divisional, and project level. At a group-wide level, climate-related risks and opportunities are identified on an ongoing basis by our Sustainability Committee and Group Production Team. These risks are fed into an annual ESG risk assessment, which forms part of our integrated risk management process. ESG risks, including climate-related risks, are scored based on a likelihood and consequence score out of 5. Where a score of 5 equates to an almost certain likelihood and a severe consequence. The assessment is used to inform our corporate business strategy and the Group's principal risks, which are published in our 2021 Annual Integrated Report (AIR) and on our corporate website. The AIR and About Us section of the website demonstrate that Crest Nicholson pursues climate-related business opportunities while ensuring key risks are reviewed, mitigated and managed. These include flood risk, overheating risk, severe weather, cost of energy and fuel, efficiency gains from new house type designs, energy consumed in the in-use stage of the home life-cycle and regulatory changes driving decarbonisation of the sector. Risk management and future opportunities are also regular agenda items for all parts of the business with an emphasis on continuous improvement. Physical risk example At a project level, risks and opportunities are identified and assessed throughout the project lifecycle and feature regularly in project view and build cost meetings. Risks such as flooding, overheating and local authority requirements are reviewed with our consultants, and mitigation measures are implemented. The risks and associated mitigation measures are factored into the cost of the land. Transitional risk example Emerging policy to help mitigate and adapt to the impacts of climate change is reviewed by our Group Production Team. A current example is the Future Homes Standard, which will impact future building regulations to deliver 'zero carbon ready' homes with no fossil fuel heating. A series of workstreams are in place to mitigate the risks associated with this emerging regulation. This transitional regulatory risk was highlighted in the ESG risk assessment and was included in the principal risks section of our Annual Integrated Report 2021 under the laws, policies, and regulation and climate change risks. The ESG risk assessment forms a part of the integrated risk management process and after review by the Executive Leadership Team and Board in FY2021, it was deemed appropriate to include climate change as a principal risk for the first time.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	As a housebuilder in the UK, our industry is highly regulated, both from a business operations perspective as well as the homes and developments we create. It is crucial that we meet all relevant current regulations to successfully operate. Our ability to respond to current regulation is, therefore, a critical consideration in our climate-related risk assessment. For example, our Group Production team regularly reviews our procedures to respond to current building regulations and emission reporting obligations. This ensures that we respond effectively and efficiently, while also avoiding non-compliance and potential fines or damage to reputation. For example, we ensure compliance with the Streamlined Energy and Carbon Reporting regulations. During the development of our new house types, we worked closely with our energy assessors to ensure the designs comply with current energy and carbon requirements. Our Group Production Team, including Heads of Technical, Procurement, Sustainability, and Safety, Health and Environment, keep track of forthcoming legislation through membership of industry bodies such as the Home Builders Federation (HBF), membership of workstreams within the Future Homes Hub, subscription to industry newsletters, sharing knowledge with peers and consultants, and attending relevant events.
Emerging regulation	Relevant, always included	Emerging regulation has the potential to significantly impact our operations, build costs, and supply chain requirements. Building Regulations continuously evolve to reduce carbon emissions from new homes and given the potential impact of emerging regulation, it is included in the climate-related risk assessment and our Group Risk Register as one of our principal risks. For example, the Future Homes Standard, which will impact the business through updated Building Regulations from 2025, is monitored closely by the Group Production Team, who engage actively with industry bodies, the supply chain and government departments. This includes our Group Production Director, Technical Director and Head of Sustainability engaging with the Future Homes Hub. This level of engagement ensures that our business is well-positioned to participate in consultation processes and respond to the resulting outcomes of the regulation in a proactive manner. Reporting requirements at a company level also evolve and these are included in the climate-related risk assessment. Examples include the new phase of the Energy Savings Opportunity Scheme (ESOS), the requirement to report against the Taskforce on Climate-related Financial Disclosures (TCFD) recommendations for reporting years beginning 1 January 2021 and the UK's Sustainable Disclosure Requirements. The Group Production team continually monitor new requirements to ensure business compliance. There is also an increasing likelihood that carbon pricing mechanisms will increase the price of carbon, for example through taxation or emissions trading schemes. This is important to consider in our risk assessment, especially with our significant upstream scope 3 emissions. Government papers, policies and strategies, such as the Clean Growth Plan, 25-year Environment Plan, and the Resources and Waste Strategy together with updates from the Climate Change Committee are also reviewed, monitored, and used to help predict potential future regulation and inform our strategy. An example of an emerging policy that has come from this is the development of the Future Homes Standard, which includes the Government's ambition for all new homes to be heated by alternatives to fossil fuel-powered boilers. Increased costs relating to delivering the Future Homes Standard are forecast to be in the region of £10,000-£15,000 per home.
Technology	Relevant, always included	The potential impact that new lower-carbon products and technologies have on our operations and our customers is considered by the Group Production Team and highlighted in the climate-related risk assessment. As an example, The Future Homes Standard will mean new and/or potentially unfamiliar technologies will be used as a replacement for fossil fuel heating systems. While there are opportunities to reduce the lifetime emissions of homes by introducing new lower-carbon products and technologies, there is also a risk of product failures, trades not accustomed to installing the technology, or customers being unfamiliar with the technology and its proper use. This can result in increased costs as well as customer dissatisfaction and reputational damage. The business is working with the supply chain to address the risks, but there is the potential that there will initially be a limited manufacturing capacity to deliver in bulk and there could be installation risks if there are not enough people with the required skills to install new technology. With the use of electric heating and an increase in requirements for electric vehicle charging, infrastructure on our developments will need to accommodate for this increased use of electricity. The Group Production Team are actively engaging with our supply chain, consultants, Government and the wider industry to research a range of technologies and are also researching offsite manufactured (OSM) construction methods.
Legal	Relevant, always included	Legal obligations are considered in our climate change risk assessment. Failure to comply with Building Regulations and reporting requirements such as SECR could result in fines, reputational damage and delays in selling homes. There could also be a litigation risk from customers if homes and developments are not adequately adapted to a changing climate. The Group Production Team attend relevant events and receive newsletters from industry bodies and law firms to ensure the business is kept up-to-date on legislation and legal cases that can help inform our work to minimise risks. We also keep abreast of litigation cases, such as action targeting a lack of ambition in climate goals. We aim to reduce this risk by setting targets and taking action to reduce emissions. Our greenhouse gas emission reduction targets have been submitted to the Science Based Targets initiative for validation.
Market	Relevant, always included	The climate-related risk and opportunity assessment considers shifting consumer demand, including preferences for sustainable products that can both mitigate and adapt to climate change. As an example, recent research highlights a growing shift in consumer preferences towards more sustainable and low carbon products and research by Savills has observed that energy efficiency is rising up the agenda for prospective home buyers. Together with initiatives such as the Barclays Green Home Mortgage and NatWest Green Mortgage, these factors could increase demand for lower carbon, sustainable homes. At a Group-wide level, we gain feedback on the homes we build via the customer satisfaction surveys, which contain a wealth of information on the customer experience and quality of the home. This information is used to enable continuous improvement and monitor consumer opinion on issues such as the energy efficiency of homes and will allow us to monitor feedback on potential changes to the technology used in new homes.
Reputation	Relevant, always included	Societal awareness of climate-related issues, such as more severe weather, flooding, warmer temperatures and water shortages is increasing, and society is looking to corporations to respond decisively and effectively. Our reputation as a responsible business is predicated on our ability to do so. Our reputation as a responsible business and sustainable housebuilder could also impact our ability to purchase land and move developments through the planning process with local authorities, together with our ability to work with partners through our multi-channel approach. It also has an impact on our ability to attract and retain employees as people are increasingly looking to work for ethical businesses that respond proactively to environmental and societal issues. A clear example here is the fact that there is an increasing public awareness of the risks associated with climate change, e.g. more severe weather including extreme temperatures and flood risk. While it is unlikely to be at the top of the checklist for most home purchasers, if we are not putting in place effective adaptation methods, it could have a future negative impact on our reputation and reduce customer satisfaction. Furthermore, if new technology doesn't perform as intended, is not installed correctly, or how to use it is not communicated adequately to customers, this has the potential to impact customer satisfaction and therefore our reputation. Conversely, the delivery of lower carbon homes and sustainable developments adapted to a changing climate can have a positive impact on reputation and could result in an increased demand for our homes. Another example is the fact that investors and lenders are also paying increasing attention to how businesses are managing ESG risks and scrutinising public disclosures relating to climate change. This has been observed through recent communication with investors, together with the fact that increasing numbers of investors and lenders are committing to net zero. For these reasons, the reputational impact of climate-related risks and opportunities is considered and included in the climate-related risk assessment.
Acute physical	Relevant, always included	A key acute physical risk for the business is the increasing frequency of severe weather events. These events can have an impact within our supply chain as well as our own site operations. This risk is considered in the climate-related risk assessment. The Independent Assessment of UK Climate Risk (CCRA3) highlights an observed increase in very wet days, which increases flood risk and impacts our ability to build, slowing sites down and can lead to damage of existing work and materials on site. To combat the risk from more severe events, we have robust risk assessment plans in place for each site and our new house types incorporate offsite manufactured components that reduce the requirement for materials to be stored on site. Heavy rainfall events can also lead to flash flooding events, having a knock-on impact on the build programme and a negative impact on customers once sites are complete. Flood risk is assessed on all sites with required mitigation measures put in place. This includes the use of sustainable drainage systems, which minimise the risk from both pluvial and fluvial flood events. In 2021, 84% of our developments incorporated sustainable drainage systems. Severe weather can also increase health and safety risks on-site and can have an impact on our supply chain, leading to constraints in material availability and increased lead times and costs. The Safety, Health and Environment team monitor forecasts for severe weather and issue advisory notes across the business to reduce the risks involved in these events. In the past year these have included strong wind and hot temperature events.
Chronic physical	Relevant, always included	Chronic physical climate-related risks are included in the climate-related risk assessment. For example, estimated human-induced global warming has reached 1.1C above pre-industrial levels and the last six years have been the six warmest on record globally (CCRA3). The World Meteorological Organization (WMO) now predicts there is a 50% chance that in the next five years the world will temporarily breach 1.5C. That chance was estimated to be 0% in 2015. We are observing increasing occurrences of high temperatures in the UK and continued increases in temperature will lead to a higher risk of overheating in homes, which impacts comfort levels and air quality for the homeowner. Overheating risk is assessed at the design stage with appropriate mitigation measures incorporated. Precipitation patterns are also changing. The State of the Climate 2019 report, published by the International Journal of Climatology, states that in the last decade UK summers and winters have been 13% and 12% wetter respectively compared with the 1961-1990 average. The Independent Assessment of UK Climate Risk (CCRA3) also expects an increase in the number of wet winter days as well as an increase in the intensity of rainfall in both summer and winter. Our development teams monitor updates to flood risk maps and monitoring protocols as a consequence of changing precipitation patterns, which impact where we build and the required flood mitigation measures. With changing precipitation patterns, together with a high demand for water, there could be an increased likelihood of drought events. We design our homes to consume less water than building regulations demand in order to mitigate our impact on water scarcity and continue to engage with suppliers on opportunities to further reduce water consumption.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Risk 1

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation	Mandates on and regulation of existing products and services

Primary potential financial impact
Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
There is a clear understanding that the built environment can play a significant role in helping to minimise the impacts of climate change. The UK Government has committed to achieving world-leading levels of energy efficiency and halving energy use in new buildings by 2030. With these ambitions, together with the government's legislated target to achieve net-zero carbon emissions by 2050, UK Building Regulations are progressively enhanced to reduce emissions from new homes. A good example is the Future Homes Standard, which will be implemented through the UK Building Regulations, Part L (conservation of energy and power). There will be an initial update to Building Regulations that require new homes to deliver a 31% reduction in carbon emissions (against current regulations). This is followed in 2025 by the Future Homes Standard, delivering at least a 75% reduction in emissions and fossil fuel heating will no longer be used. This will impact the technology used in the home as well as the specification of building fabric, which will increase build costs. We engage closely with Government and responded to the consultation in 2020. We also engage with the Future Homes Hub, an industry wide collaboration, and our supply chain to prepare for future requirements. The increased build costs are factored into our land valuation calculation. New lower-carbon products and technologies could be unfamiliar to customers. If their use is unpopular or not communicated adequately (such as why it is important and how they are to be used), it could influence their choice of a new home and/or their occupancy experience, as well as our reputation. There is also an increasing number of Councils across the UK declaring a climate emergency (currently 75% of Councils) and setting targets to achieve net-zero. We are also observing some local authorities requesting more ambitious carbon reductions than Building Regulations. Differing requirements can make it challenging to plan for, while also increasing build costs. With any changes to regulations, there is a risk of potential disruption in production capacity due to the availability of skills and labour that can effectively build to the new requirements. There could also be increased build costs experienced by the business, through both the supply chain introducing new technologies and the need to acquire more skilled labour, to comply with any regulations.

Time horizon
Medium-term

Likelihood
More likely than not

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
4814000

Potential financial impact figure – maximum (currency)
14442000

Explanation of financial impact figure
Until the Government has confirmed the final detail on the Future Homes Standard, it is uncertain as to what extra costs would be associated with complying with new regulations. However, we have analysed the expected cost increase associated with both the interim update to Building Regulations in 2023 and the cost of delivering the Future Homes Standard from 2025. We have factored the increased cost per plot into our land value calculations for homes to be delivered after 2025. This is expected to offset the additional build costs relating to the Future Homes Standard. There could be further regulatory change or an extension of the practice of local authorities imposing higher carbon standards through planning policy. Further detail on the exact specifications for any future regulations beyond the Future Homes Standard are required to accurately predict the financial impact, but assuming a cost increase range of £2,000 to £6,000 per home, this would equate to between £4.8m and £14.4m based on FY21 home completion numbers. This is based on the likely additional technology required. This cost may be offset by consumer preferences shifting towards lower carbon homes, which could increase demand and sales price. There may also be future regulation on embodied carbon. This could mean greater resource required to calculate and report on embodied carbon across all projects while ensuring the design of the home and materials used meet any future targets that may be set. We have not included a cost for this but we are working with the industry (Future Homes Hub) to develop methodologies for the calculation and reporting of embodied carbon. Please note this risk should not be considered a forecast of future costs, but as a theoretical figure highlighting the potential future risk considering emerging regulation. The impact does not account for mitigation measures and as such is an inherent risk.

Cost of response to risk
580000

Description of response and explanation of cost calculation
Potential regulatory changes and consultations are reviewed closely by the Group Production team and updates are provided regularly to the Executive Leadership Team. Detailed analysis of the potential cost increase has been carried out and these costs are factored into land valuations. We regularly communicate with stakeholders such as the Home Builders' Federation (HBF), Future Homes Hub and the Department for Levelling up, Housing and Communities (DLUHC) to understand and influence future changes in regulation. We also partner with Planning Authorities and skilled consultants to achieve consensual cost-effective outcomes. Keeping abreast of new regulations is part of our normal business practice. We are also working to drive innovation across the business through research and development of new technologies, building design and the use of OSM. The cost of £580,000 is a conservative estimate of consultant fees and time spent on R&D.

Comment

Identifier
Risk 2

Where in the value chain does the risk driver occur?

Downstream

Risk type & Primary climate-related risk driver

Chronic physical	Changing temperature (air, freshwater, marine water)

Primary potential financial impact
Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
The Independent Assessment of UK Climate Risk notes that by 2050 the UK's average summer could be around 1.5C warmer and the record summer of 2018 could be the norm. The hottest temperature of the year is likely to increase more than the average summer temperature increase. Increasing temperatures raise the likelihood of overheating in homes. If homes are subject to overheating, this could cause discomfort and potentially poor air quality for our customers. The business conducts overheating assessments across all developments and implements the necessary requirements to reduce the risk, however there remains a risk that additional mitigation measures in a warming climate could lead to increased costs.

Time horizon
Long-term

Likelihood
More likely than not

Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
4573300

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Temperatures are rising and there is an increasing likelihood of heatwaves in the summer. Increasing temperatures raise the risk of overheating in homes and may require additional measures to mitigate. There are several low cost measures to reduce risk, such as the glazing size and orientation and shading options such as shutters. It is challenging to quantify the potential impact and exact remedial requirements, but a Government publication on research into overheating of new homes provided costs on various mitigation packages. The mitigation measures in the report range from £660 to £17,480 for a typical semi-detached home. One of the suggested opportunities to reduce overheating risk was the installation of glazing that reduces solar glare. The approximate additional cost for this glazing is £1,900 per plot. This cost is based on supplier information for our benchmark plot type. Multiplied by the number of homes completed in FY21, this would equate to an additional capital cost of £4.6m. We continue to monitor this risk and any additional mitigation measures will be picked up at the design stage to maximise the potential to implement the most cost effective solutions.

Cost of response to risk
0

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

Comment

Identifier
Risk 3

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation	Carbon pricing mechanisms

Primary potential financial impact
Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
We use energy and fuel as part of our construction work on site, including to power the site compounds and for plant and machinery around site. Global fuel price fluctuations as well as carbon pricing mechanisms will have an impact on our energy and fuel costs, including electricity, gas and diesel. Our supply chain is also reliant on fossil fuels and will be susceptible to changing carbon pricing mechanisms. In particular, under a 1.5°C or well below 2°C climate scenario we are likely to see increases in carbon pricing, for example through taxation or emissions trading schemes. The International Energy Agency's report on net zero by 2050 notes that Governments adopting carbon prices may be one of the simplest ways to spur the deployment of near zero emissions technology. The UK Emissions Trading Scheme (ETS) currently covers electricity generation, heavy industry and domestic aviation. This will include some of our suppliers, who may also be included in schemes outside of the UK, such as the EU

ETS. To align with net zero by 2050, the number of emission allowances will be reduced over time, which is likely to increase the cost of carbon further. The increased carbon cost could result in higher production costs for our supply chain, which is likely to impact the cost of materials. Approximately 170,000 tCO2e of our scope 3 emissions are associated with our supply chain, which is why it is flagged as a substantive risk. There is significant uncertainty with regards to forecasting the potential increased costs to the business, but we are engaging with key carbon intensive suppliers to gain a better understanding of how they will be impacted by carbon pricing mechanisms and what they are doing to reduce their reliance on fossil fuels.

Time horizon
Medium-term

Likelihood
Likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
There is significant uncertainty with regards to forecasting the potential increased costs to the business, but we are engaging with key carbon intensive suppliers to gain a better understanding of how they will be impacted by carbon pricing mechanisms and what they are doing to reduce their reliance on fossil fuels. Approximately 170,000 tCO2e of our scope 3 emissions are associated with our supply chain, which is why it is flagged as a substantive risk.

Cost of response to risk
0

Description of response and explanation of cost calculation
We conducted a life cycle analysis as part of our scope 3 emissions calculation in 2021. This allowed us to understand the key areas of emissions within our supply chain, including those that may be most susceptible to carbon pricing mechanisms. We engage with our suppliers on a regular basis to understand potential changes to material prices, which includes potential impacts from climate-related risks and opportunities such as carbon pricing mechanisms. Supplier engagement and reviewing and implementing resource efficiency opportunities is a normal course of business. With regards to reducing our direct emissions, key actions include the optimisation of our generators and connecting to the mains electricity supply as early as possible. We are currently working with our supply chain to improve our management information, which is allowing us to better specify the generators we use. Our site cabins also have energy-saving measures, including light sensors, timed heaters and push taps. We are engaging with our supply chain to research new low/zero carbon technology, such as electric telehandlers and hybrid and hydrogen generators. While this technology continues to develop, we are taking immediate carbon reduction action by piloting the use of biodiesel. Energy, fuel and water dashboards are available on an online portal. The dashboards highlight anomalously high consumption and their associated cost. We run divisional initiatives (training, site visits) that help improve resource efficiency and awareness of the importance of improving resource use. Our new house type range will drive building efficiencies and this together with using OSM components could lead to less energy consumed on-site through the reduced need for equipment (e.g. diesel generators), and reduced transport movements to and around the site as more materials are constructed offsite.

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Opp1

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Resource efficiency

Primary climate-related opportunity driver
Use of more efficient production and distribution processes

Primary potential financial impact
Reduced indirect (operating) costs

Company-specific description
The business consumes energy and fuel as part of its operations. Reducing our energy and fuel consumption is crucial for the business to help mitigate the impact of climate change, achieve the carbon emission reduction targets and help decarbonise the economy. The cost of energy and fuel is likely to increase as carbon pricing mechanisms are implemented to drive efficiencies and a move away from fossil fuels. Utilising resources more efficiently through the choice of equipment and practices and behaviour on-site provide scope to generate cost savings.

Time horizon

Medium-term

Likelihood
Likely

Magnitude of impact
Low

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
334000

Potential financial impact figure – maximum (currency)
2000000

Explanation of financial impact figure
Reducing demand for energy and fuel through improving resource efficiency and the implementation of more efficient technologies will likely lead to a reduction in costs associated with energy and fuel. We have a target to reduce scope 1 and 2 emissions by 60% by 2030. A 60% reduction in our fuel and energy costs could result in a saving of around £2m. However, some of the reduction in emissions will come from fuel substitutions, and there may be additional costs relating to the deployment of new technologies. We have therefore provided a lower range cost reduction of 10%, equating to £334k.

Cost to realize opportunity
0

Strategy to realize opportunity and explanation of cost calculation
Increasing our operational efficiency is one of our strategic priorities. We have improved our reporting to allow divisional teams to track their consumption and use of equipment such as telehandlers on site. We are also engaging with our plant hire and fuel suppliers to ensure we have the correctly specified equipment on site as well as investigating new low and zero-carbon technologies. We have increased the efficiency of our plant on site. For example, we have increased the proportion of telehandlers with more efficient tier 5 engines. We have targets in place to reduce our scope 1 and 2 emissions by 60% and scope 3 emissions intensity by 55% by 2030. We also have a target to procure 100% renewable electricity by 2025 and in 2021 we were at 62%, up from 56% the prior year. The business has developed a new house type range with efficient designs that will help reduce waste and associated material consumption. Resource efficiency is part of our normal course of business.

Comment

Identifier
Opp2

Where in the value chain does the opportunity occur?
Downstream

Opportunity type
Products and services

Primary climate-related opportunity driver
Shift in consumer preferences

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company-specific description
Research highlights a growing shift in consumer preferences towards more sustainable and low carbon products. As stakeholder awareness of climate-related issues increases, shifting consumer preferences could increase demand for sustainable products from responsible businesses. Customers may also increasingly look towards new build homes and developments that are carbon efficient (allowing them to live more sustainable lifestyles) and resilient to a changing climate - potentially increasing comfort in new homes versus the second-hand market in which properties may need adapting. Recent research by Savills observed that energy efficiency is rising up the agenda for prospective home buyers. Research by Halifax has noted that homebuyers pay a green premium for energy efficient homes. The research highlighted an uplift in average house price of moving from an EPC rating of C to B of 2% and a further increase of 1.8% when moving from an EPC B to an A. Initiatives such as the Barclays Green Home Mortgage and NatWest Green Mortgage could also increase demand further for lower carbon, sustainable homes. There is an opportunity to benefit from increased demand for our homes where they meet or exceed shifting consumer preferences.

Time horizon
Medium-term

Likelihood
About as likely as not

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
19600000

Potential financial impact figure – maximum (currency)
39300000

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

research by Halifax has noted that homebuyers pay a green premium for energy efficient homes. The research highlighted an uplift in average house price of moving from an EPC rating of C to B of 2% and a further increase of 1.8% when moving from an EPC B to an A. Increased demand for Crest Nicholson homes due to aligning with changing consumer expectations could lead to increased revenue. It is challenging to predict the potential financial impact, but if sales revenue increased between 2.5% and 5%, this would increase revenue by approximately £19.6m and £39.3m based on 2021 revenue figures.

Cost to realize opportunity
580000

Strategy to realize opportunity and explanation of cost calculation
Crest Nicholson is committed to mitigating its climate impact and creating developments that are resilient to a changing climate. The business also puts in place infrastructure such as cycle lanes, walkways, cycle storage and areas of recreational green space designed to help residents live a sustainable lifestyle and have a positive impact on health and wellbeing. The business is also researching cost-effective compliance for changes to Building Regulations and the Future Homes Standard, which will see progressive reductions in the carbon emissions associated with new homes. A conservative estimate on the R&D investment is £580,000. Sustainability is also integrated into our marketing strategy, and we communicate the benefits of new build homes and developments to potential customers on our website, in site literature and via direct communications.

Comment

C3. Business Strategy

C3.1

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

Row 1

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

Publicly available transition plan
No

Mechanism by which feedback is collected from shareholders on your transition plan
We have a different feedback mechanism in place

Description of feedback mechanism
We engage regularly with our investors on our low carbon transition plan. During the year, this has included discussion at investor roadshows, a presentation at our Capital Markets Day and ad-hoc meetings with individual investors and lenders to introduce our plans and gain feedback. These meetings helped to shape the development of our science-based targets. We provide information on our targets and initiatives to reduce emissions in our Annual Integrated Report and corporate website.

Frequency of feedback collection
More frequently than annually

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

Explain why your organization does not have a transition plan that aligns with a 1.5°C world and any plans to develop one in the future
<Not Applicable>

Explain why climate-related risks and opportunities have not influenced your strategy
<Not Applicable>

C3.2

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

	Use of climate-related scenario analysis to inform strategy	Primary reason why your organization does not use climate-related scenario analysis to inform its strategy	Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future
Row 1	No, but we anticipate using qualitative and/or quantitative analysis in the next two years	Important but not an immediate priority	The business does consider potential future climate-related risks and reviews existing publicly available information on climate scenarios. This has included UK Climate Projections software and other climate models to compare the impacts of varied scenarios including RCP2.6 and RCP8.5, together with reports such as the UK Climate Change Risk Assessment (CCRA3) and IPCC climate reports. The likely impacts of future climate change are factored into our strategy and operational procedures. This includes transitional risks as we move towards a low carbon economy and physical risks associated with overheating on our developments as warmer summer temperatures become more likely, as well as the risk from flooding due to more frequent occurrences of severe weather. We recognise the value of conducting further climate scenario analysis and will use within the business this year.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Climate-related risks and opportunities influence the development of our products and services. An example of a transitional risk influencing our strategy in this area is through emerging regulations around decarbonising the use phase of homes, for example the Future Homes Standard. This will be delivered through updated building regulations and will see a requirement for new homes to deliver at least a 75% reduction in carbon emissions against current regulations. This is a clear example of a transitional risk influencing our product, the homes we build. To respond to this risk, our Group Production team engages both internally and externally with our supply chain, industry peers (we are participants in the Future Homes Hub), our industry trade body and Government to ensure we are well prepared for future requirements. It will impact the design and fabric of our homes, with greater levels of insulation, as well as the introduction of fossil fuel-free heating systems such as air source heat pumps. Examples of physical risks influencing our product include warmer summers increasing the risk of overheating and greater frequency and severity of extreme weather increasing the risk of flooding. The potential impact of overheating is significant. If not alleviated appropriately, it can negatively affect comfort levels and air quality in the home, as well as customers' health. In response to this risk, all homes undergo an initial overheating risk assessment during the design stage. Homes that are at medium or high risk of overheating are then subject to dynamic overheating modelling. This second analysis is not required by building regulations, but it provides a hierarchy of solutions to mitigate the risk from overheating. To mitigate against the risk of flooding, developments incorporate robust drainage strategies and include solutions such a swales and attenuation ponds. There are also opportunities that arise from climate change, including driving the business to innovate and become more operationally efficient. One example of this is the development of our new standard house types. These will drive significant efficiencies for the business, which could include producing less waste while maintaining and improving the quality and performance of the homes. Timescale: Short to medium term for transitional risk. Medium-long term for physical risk.
Supply chain and/or value chain	Yes	The business strategy relating to our supply chain is influenced by both transitional and physical risks. Supply chain engagement is of critical importance to manage both transitional and physical risks. From a transition perspective, carbon emissions within the supply chain are a significant proportion of our carbon footprint and we reported scope 3 emissions associated with our supply chain for the first time in 2021. Changing carbon pricing mechanisms could result in increased costs of materials. To reduce this risk our Group Procurement team regularly discuss what our key suppliers are doing to both reduce emissions and adapt to a changing climate. We continue to engage with our supply chain to improve the accuracy of emissions data and to research materials that are lower in embodied carbon. The supply chain has an important role to play in decarbonising our business and the wider economy. Physical risks can also cause potential disruption within our supply chain (e.g. supplier manufacturing plants located in areas subject to high physical risk from climate change), which could impact the availability, cost and delivery of materials to our sites. Recent examples include the threat to timber supply from increasing frequency of forest fires and the greater likelihood of disease and pests causing harm to forests. Physical risks can result in reduced supplies, impacting prices, or delays in receiving supplies, leading to project delays. This risk is considered in our climate-related risk assessment. We monitor the locations of our supply chain partners, reporting the % purchased from local suppliers annually. We actively encourage our commercial teams to work with local businesses, and a preference for local companies and products is stated in our Sustainable Procurement Policy. In 2021, 27% of our procurement spend with suppliers and sub-contractors was within 20 miles of site operations. Timescales: Transitional risks are likely to be within the medium term. We may see a greater impact from physical climate-related risks within the supply chain in the medium to long-term.
Investment in R&D	Yes	Climate-related risks and opportunities influence our strategy around research and development. For example, a significant amount of R&D is going into our preparations for the Future Homes Standard and delivering zero carbon ready homes, which will require changes to the building fabric and new technology to deliver zero carbon ready homes. The Group Production team has established a series of inter-departmental work strands that relate to the research of new technology and the opportunity to conduct trials across our sites to test performance, buildability and user experience. We are also engaging with specialist consultants to model different fabric and technology options to understand their impact on energy consumption and carbon emissions. We have trialled the use of HVO biodiesel to power our generators and telehandlers on construction sites, gradually increasing the number of sites using this fuel. HVO is significantly lower in carbon emissions than white or red diesel. We also engage with our plant hire and manufacturing companies to review options for electric and hydrogen powered plant. The timescale is short term for our investment in R&D.
Operations	Yes	We have built on our existing target to reduce scope 1 and 2 emissions intensity by 25% by 2025 by submitting new targets to the Science Based Targets initiative (SBTi). The new interim targets require an absolute reduction in scope 1 and 2 emissions of 60% and scope 3 intensity reduction of 55% by 2030 from a 2019 base year. These targets are designed to help mitigate our impact on climate change and reduce risks relating to carbon pricing mechanisms and fossil fuel price volatility. We are also targeting net zero by 2045 and have submitted to the SBTi for verification. Improving the efficiency of our site operations is a climate-related opportunity, which will contribute towards achieving our targets and reducing costs. During the year we have observed a significant increase in diesel prices, partly to do with the change in taxation and also issues relating to supply since the Ukraine crisis unfolded. We continue to engage with our plant hire suppliers to optimise the use of our generators while also exploring alternative energy sources. We have increased the proportion of our sites using HVO biodiesel, which has an immediate impact on reducing emissions and improving local air quality. We also commit to procuring 100% renewable electricity by 2025. Renewable energy continued to be purchased for our Head office and South West divisional office and we are increasing the number of site supplies on REGO-backed renewable tariffs. The total proportion of renewable electricity in 2021 was 62%, up from 56% in 2020, helping to reduce our market-based scope 2 emissions. Changes in the frequency and severity of weather events can also impact our ability to build homes. We have robust safety, health and environmental procedures in place to minimise the risks of hazards caused by extreme weather events and high temperatures. During the past year we have issued safety alerts on high wind and high temperature events to help the business prepare for the risks they bring. Timescale: transitional risk and opportunity relating to resource efficiency is short to medium term. The physical risks impacting operations tend towards the medium to longer term.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Indirect costs Capital expenditures Assets	Indirect costs: Increasing operating costs are noted in our climate-related risks and opportunities assessment and the magnitude of this impact is low. This includes: - Increasing cost of fuel and energy due to carbon pricing mechanisms such as taxation and fossil fuel price volatility - Potential increased use of consultants for modelling solutions for zero carbon ready homes and overheating modelling and requirements to put extra measures in place, to reduce overheating and flood risk. - R&D costs relating to compliance with new regulations such as the Future Homes Standard Direct costs: Increasing direct costs of materials is considered in our climate-related risks and opportunities assessment and is generally classified as medium magnitude. This includes: - Potential increased cost of materials and technology to deliver lower carbon homes. - A greater frequency of severe weather could result in an increase in damage to materials and infrastructure on our sites. The costs are reviewed regularly by the project teams within each division of the business. We also forecast future cost increases based on emerging policy and other available data to ensure the business is prepared and implements action to mitigate the increases. A good example is the analysis conducted on the likely increase in build costs to deliver zero carbon ready homes in line with the Future Homes Standard. The potential cost is now factored into the land value calculation. Another example was the increase in the cost of red diesel due to the scrapping of the red diesel tax allowance. We understood the financial impact well in advance of the change and have been engaging with suppliers to improve the efficiency of our existing plant and equipment on site while researching alternative lower carbon technology that can reduce reliance on red diesel. The time horizon relating to the transitional risks is short to medium term. Physical risks are medium to longer term. Revenues: Emerging regulations will change the technology used in our homes in the medium term. If there are complications with the rollout of new technology, there is a risk of customer dissatisfaction that could result in reduced demand for the home and impact revenues. Conversely, there is growing evidence that there will be greater demand for low carbon homes. Building homes that are energy efficient, low carbon and well adapted for a changing climate could lead to increased revenue. For example, green mortgages are likely to become increasingly available. These can allow customers to obtain better mortgage rates for energy efficient homes. The magnitude of the impact on revenue is medium and time horizon medium term. Capital expenditures and assets: Changing precipitation patterns are leading to an increased risk of flooding and subsequent changes to the flood risk of land. Flood risk assessments are conducted prior to purchasing sites and the cost of flood mitigation and adaptation measures are factored into land values. Flood risk mitigation and adaptation measures within the business are robust and the magnitude of the impact is currently low. Emerging regulations including the Future Homes Standard will also increase build costs. The forecast additional costs are factored into land valuations where homes will be delivered beyond 2025 when the regulations come into force. Our financial planning occurs over a three-year period and therefore sits within the short-term timescale.

C3.5

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's transition to a 1.5°C world?
No, but we plan to in the next two years

C4. Targets and performance

C4.1

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

C4.1a

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

Target reference number
Abs 1

Year target was set
2021

Target coverage
Company-wide

Scope(s)
Scope 1
Scope 2

Scope 2 accounting method
Location-based

Scope 3 category(ies)
<Not Applicable>

Base year
2019

Base year Scope 1 emissions covered by target (metric tons CO2e)
6720.6

Base year Scope 2 emissions covered by target (metric tons CO2e)
1737.2

Base year Scope 3 emissions covered by target (metric tons CO2e)
<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
8457.8

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
100

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
100

Target year
2030

Targeted reduction from base year (%)
60

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]
3383.12

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
3638

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
1718.3

Scope 3 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
5356.3

% of target achieved relative to base year [auto-calculated]
61.1171541850915

Target status in reporting year
New

Is this a science-based target?
Yes, we consider this a science-based target, and the target is currently being reviewed by the Science Based Targets initiative

Target ambition
1.5°C aligned

Please explain target coverage and identify any exclusions
Scope 1: Crest Nicholson's Scope 1 emissions arise from the combustion of natural gas, biogas, gas oil, biodiesel HVO and LPG, the use of refrigerants and group operated fleet. These fuels are consumed in the Head Office, divisional offices, construction sites and site offices for the purposes of space heating, operation of construction mobile plant, vehicles, and on-site generators. Scope 2: Crest Nicholson's Scope 2 emissions arise from the consumption of grid electricity across its construction sites, Head Office, divisional offices and site offices for the purposes of running operations.

Plan for achieving target, and progress made to the end of the reporting year
Scope 1: • The main contributor to Scope 1 emissions is diesel consumption onsite for generators and mobile plant. The largest opportunity for emissions reductions is to switch fuel to a low carbon alternative – HVO being the most appropriate option in the short term. During the reporting year, we began trialling the use of HVO, which accounted for approximately 17% of our total site diesel consumption. • Switching from natural gas onsite to electricity. Natural gas is consumed within the new dwellings prior to sale, and as fossil-fuel free alternatives (likely to be air source heat pumps) are introduced as part of the upcoming Future Homes Standard building regulations, natural gas will be phased out. • Continuous efforts to improve energy efficiency onsite and in offices will also contribute to meeting the Scope 1 target, aided by opportunities identified by the ESOS (Energy Savings Opportunity Scheme) phase III. • Lower carbon vehicles in the group operated fleet, hybrid generators and electric powered plant have also been identified as opportunities. During the reporting year, 27% of our group operated fleet was either electric or hybrid, up from 24% in 2020. Scope 2: • Scope 2 emissions are calculated on a location-basis so will decarbonise in line with the UK electricity grid. The UK government have committed to a fully decarbonised electricity grid by 2035. • Crest Nicholson intends to increase the proportion of electricity procured from renewable sources (targeting 100% RE by 2025). Although targets are set on a location-basis, Crest Nicholson reports Scope 2 emissions on both location- and market-basis annually. During the reporting year, 62% of our electricity was procured from renewable sources. • Energy efficiency measures will also contribute to meeting this target.

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number
Int 1

Year target was set
2020

Target coverage
Company-wide

Scope(s)
Scope 1
Scope 2

Scope 2 accounting method
Location-based

Scope 3 category(ies)
<Not Applicable>

Intensity metric
Other, please specify (tCO2e per 100m2)

Base year
2019

Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)
2.55

Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)
0.66

Intensity figure in base year for Scope 3 (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)
3.2

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure
100

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure
100

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this Scope 3 intensity figure
<Not Applicable>

% of total base year emissions in all selected Scopes covered by this intensity figure
100

Target year
2025

Targeted reduction from base year (%)
25

Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]
2.4

% change anticipated in absolute Scope 1+2 emissions
15

% change anticipated in absolute Scope 3 emissions
0

Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)
1.71

Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)
0.81

Intensity figure in reporting year for Scope 3 (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)
2.52

% of target achieved relative to base year [auto-calculated]
85

Target status in reporting year
Underway

Is this a science-based target?
No, but we are reporting another target that is science-based

Target ambition
<Not Applicable>

Please explain target coverage and identify any exclusions
A target was set in 2020 to reduce carbon emissions associated with our location based scope 1 and 2 emissions. This includes site and office gas and electricity, diesel and LPG consumed to power site plant and equipment and business travel via company owned vehicles. The base year is 2019 with an intensity figure of 3.20tCO2e/m2. The target is a 25% reduction by 2025.

Plan for achieving target, and progress made to the end of the reporting year
Scope 1: • The main contributor to Scope 1 emissions is diesel consumption onsite for generators and mobile plant. The largest opportunity for emissions reductions is to switch fuel to a low carbon alternative – HVO being the most appropriate option in the short term. During the reporting year, we began trialling the use of HVO, which accounted for approximately 17% of our total site diesel consumption. • Switching from natural gas onsite to electricity. Natural gas is consumed within the new dwellings prior to sale, and as fossil-fuel free alternatives (likely to be air source heat pumps) are introduced as part of the upcoming Future Homes Standard building regulations, natural gas will be phased out. • Continuous efforts to improve energy efficiency onsite and in offices will also contribute to meeting the Scope 1 target, aided by opportunities identified by the ESOS (Energy Savings Opportunity Scheme) phase III. • Lower carbon vehicles in the group operated fleet, hybrid generators and electric powered plant have also been identified as opportunities. During the reporting year, 27% of our group operated fleet was either electric or hybrid, up from 24% in 2020. Scope 2: • Scope 2 emissions are calculated on a location-basis so will decarbonise in line with the UK electricity grid. The UK government have committed to a fully decarbonised electricity grid by 2035. • Crest Nicholson intends to increase the proportion of electricity procured from renewable sources (targeting 100% RE by 2025). Although targets are set on a location-basis, Crest Nicholson reports Scope 2 emissions on both location- and market-basis annually. During the reporting year, 62% of our electricity was procured from renewable sources. • Energy efficiency measures will also contribute to meeting this target.

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

Target reference number
Int 2

Year target was set
2021

Target coverage
Company-wide

Scope(s)
Scope 3

Scope 2 accounting method
<Not Applicable>

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

Intensity metric
Other, please specify (per sq. m completed floor area)

Base year
2019

Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for Scope 3 (metric tons CO2e per unit of activity)
2.569

Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)
2.569

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure
<Not Applicable>

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure
<Not Applicable>

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this Scope 3 intensity figure
100

% of total base year emissions in all selected Scopes covered by this intensity figure
100

Target year
2030

Targeted reduction from base year (%)
55

Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]
1.15605

% change anticipated in absolute Scope 1+2 emissions
0

% change anticipated in absolute Scope 3 emissions
23

Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for Scope 3 (metric tons CO2e per unit of activity)
2.528

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)
2.528

% of target achieved relative to base year [auto-calculated]
2.90173042216638

Target status in reporting year
New

Is this a science-based target?
Yes, we consider this a science-based target, and the target is currently being reviewed by the Science Based Targets initiative

Target ambition
Well-below 2°C aligned

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

Plan for achieving target, and progress made to the end of the reporting year
• Use of sold products is the largest contributor to Crest Nicholson's scope 3 emissions, being the emissions arising from the energy consumed by the occupants of the house over a 60-year calculation period. The energy consumption is split between regulated and unregulated consumption. Upcoming changes to English building regulations (Part L uplift, and the Future Homes Standard) are expected to reduce the emissions from regulated energy consumption by up to 80% in new homes from 2025. Unregulated energy consumption arises from plug in appliances in the home during the 60-year calculation period so these will reduce in line with the UK electricity grid. The business can further contribute to reducing unregulated energy consumption through effective customer communication and incorporating energy efficient appliances where these are provided in homes. • Lower carbon alternatives for particularly carbon intensive materials such as concrete blocks, bricks, roof tiles, concrete foundations • Engaging with suppliers to provide EPDs to improve accuracy of embodied carbon calculations, and to gain a better understanding of supplier carbon commitments and targets. • Increasing share of modern methods of construction (MMC) for reduced embodied carbon of materials, faster build time so less energy consumed onsite, and offsite manufactured so less wastage onsite. •Encourage contractors on site to use lower carbon alternative fuels, likely to be HVO in the short term.

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

C4.2

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

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

C4.2a

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

Target reference number
Low 1

Year target was set
2020

Target coverage
Company-wide

Target type: energy carrier
Electricity

Target type: activity
Consumption

Target type: energy source
Renewable energy source(s) only

Base year
2019

Consumption or production of selected energy carrier in base year (MWh)
2139.755

% share of low-carbon or renewable energy in base year
32

Target year
2025

% share of low-carbon or renewable energy in target year
100

% share of low-carbon or renewable energy in reporting year
62

% of target achieved relative to base year [auto-calculated]
44.1176470588235

Target status in reporting year
Underway

Is this target part of an emissions target?
Our carbon emissions target is location based, so this target does not count towards our emissions target.

Is this target part of an overarching initiative?
No, it's not part of an overarching initiative

Please explain target coverage and identify any exclusions
The business is targeting procurement of 100% renewable electricity by 2025. The % renewable in the reporting year was 62%.

Plan for achieving target, and progress made to the end of the reporting year
Engaging with our utilities management company to switch site contracts to renewable. Engaging with management companies of managed offices to request switch to renewable energy.

List the actions which contributed most to achieving this target
<Not Applicable>

C4.2b

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

Target reference number
Oth 1

Year target was set
2020

Target coverage
Business activity

Target type: absolute or intensity
Intensity

Target type: category & Metric (target numerator if reporting an intensity target)

Waste management	metric tons of waste generated

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

Base year
2019

Figure or percentage in base year
9.64

Target year
2025

Figure or percentage in target year
8.19

Figure or percentage in reporting year
9.25

% of target achieved relative to base year [auto-calculated]
26.896551724138

Target status in reporting year
Underway

Is this target part of an emissions target?
This target is not part of a current emissions target.

Is this target part of an overarching initiative?
No, it's not part of an overarching initiative

Please explain target coverage and identify any exclusions
This target relates to construction waste from our sites and does not include office waste. Almost all our waste is generated on our sites, so this target covers the vast majority of our waste produced across the business. The target aims to achieve a 15% reduction in tonnes/m2 completed floor area by 2025, from a base year of 2019. Our performance in 2021 achieved a 4% reduction against the target base year.

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

List the actions which contributed most to achieving this target
<Not Applicable>

C4.2c

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

Target reference number
NZ1

Target coverage
Company-wide

Absolute/intensity emission target(s) linked to this net-zero target
Abs1
Int2

Target year for achieving net zero
2045

Is this a science-based target?
Yes, we consider this a science-based target, and the target is currently being reviewed by the Science Based Targets initiative

Please explain target coverage and identify any exclusions
The target is company-wide and includes all emissions associated with our value chain: Scope 1: Combustion of natural gas, biogas, gas oil, biodiesel HVO and LPG, the use of refrigerants and group operated fleet. These fuels are consumed in the Head Office, divisional offices, construction sites and site offices for the purposes of space heating, operation of construction mobile plant, vehicles, and on-site generators. Scope 2: Consumption of grid electricity across its construction sites, Head Office, divisional offices and site offices for the purposes of running operations. Scope 3: 1. Purchased goods and services, 2. Capital goods, 3. Fuel and energy related activities (not included in scope 1 or scope 2), 4. Upstream transportation and distribution, 5. Waste generated in operations, 6. Business travel, 7. Employee commuting, 11. Use of sold products, and 12. Endof-life treatment of sold products.

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

Planned milestones and/or near-term investments for neutralization at target year
We are researching opportunities for neutralising emissions.

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

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.
Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	4	
To be implemented*	1	56.1
Implementation commenced*	1	0.4
Implemented*	2	521.9
Not to be implemented	0	

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Low-carbon energy consumption	Liquid biofuels

Estimated annual CO2e savings (metric tonnes CO2e)
395.9

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 1

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
0

Investment required (unit currency – as specified in C0.4)
19500

Payback period
No payback

Estimated lifetime of the initiative
Ongoing

Comment
We trialled the use of HVO (hydrotreated vegetable oil) biodiesel across 13 sites in 2021, equating to 17% of our total site diesel consumption. The HVO is used to power our plant and equipment on construction sites, including generators and telehandlers. By replacing the use of red or white diesel with HVO, this has avoided approximately 396tCO2e. There is no payback as currently the cost of HVO is greater than the cost of white diesel.

Initiative category & Initiative type

Energy efficiency in production processes	Machine/equipment replacement

Estimated annual CO2e savings (metric tonnes CO2e)
126

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 1

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
38000

Investment required (unit currency – as specified in C0.4)
0

Payback period
<1 year

Estimated lifetime of the initiative
Ongoing

Comment
Through engagement with our plant hire supplier, we have increased the proportion of Tier 5 (T5) telehandler engines, which are approximately 10% more efficient than the Tier 4 (T4) engines. The split of T4/T5 telehandler engines in October FY2020 was 100/0% and 34/66% in October FY2021. A fuel saving of 10% is based on machine averages of product on hire, which equates to 55,000 litres and 126 tonnes based on the biodiesel/white diesel fuel split in FY2021. This is estimated to have saved £38,000. There was no capital uplift for incorporating Tier 5 telehandlers into the fleet.

C4.3c

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

Method	Comment
Compliance with regulatory requirements/standards	Compliance with, and where possible exceeding, current Building Regulations which are designed to drive down carbon emissions of new homes. Crest Nicholson also meet, and where possible exceed, local planning requirements which means that many of our developments exceed Building Regulations. In 2021, Crest achieved average carbon emissions from our new homes that were 8% lower than current regulations demand (based on SAP 2012). The business is investing in research and development into cost-effective, consumer-friendly solutions to achieve homes that are zero carbon ready that meet the Future Homes Standard.
Dedicated budget for energy efficiency	Projects identified as having potential for yielding cost and carbon savings are assigned specific budgets and resources. Budget is also provided for R&D into new heating technologies and compliance with future Building Regulations and the Future Homes Standard.
Employee engagement	Employees receive sustainability-focused communication via the Group intranet, emails, meetings and site visits. Energy, fuel and water dashboards are provided to divisional business units to allow them to monitor performance and target areas for improvement. Ongoing engagement includes carbon reduction target performance updates via our employee newsletter, the Exchange and the sharing of good practice examples of energy and fuel reduction initiatives helps harness support for further efficiency gains.
Internal incentives/recognition programs	Our corporate executive team and employees on the Group bonus structure are incentivised to achieve carbon emission reductions through the annual bonus scheme. Employees who receive a car benefit are incentivised to reduce their vehicle emissions through a financial bonus for driving a low-emission vehicle. Detail is provided in section 1.3a.

C4.5

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

C4.5a

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

Level of aggregation
Group of products or services

Taxonomy used to classify product(s) or service(s) as low-carbon
Other, please specify (UK Government's Standard Assessment Procedure)

Type of product(s) or service(s)

Buildings construction and renovation	Other, please specify (Energy performance ratings of the buildings as assessed by the Government's Standard Assessment Procedure (SAP))

Description of product(s) or service(s)
All of our homes are designed and built to help enable sustainable lifestyle choices and a lower carbon footprint for our customers. This includes design features to minimise energy and water use as well as other elements within the homes and across the development that make what we produce a low-carbon product. Homes come with energy and water efficient appliances and high levels of insulation. Some homes also utilise low-carbon technologies, such as solar photo-voltaic and district heating systems. All homes are required to have an energy performance certificate (EPC). Ratings are provided for environmental impact (carbon emissions) and energy efficiency, ranging from A-G, with A being the highest score (least impact on the environment). 92% of our homes constructed in 2020 achieved an energy EPC rating of A or B and 85% had an environmental impact rating of A or B. Banks that offer green mortgages typically classify EPC ratings of A and B to be eligible for the product.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)
No

Methodology used to calculate avoided emissions
<Not Applicable>

Life cycle stage(s) covered for the low-carbon product(s) or services(s)
<Not Applicable>

Functional unit used
<Not Applicable>

Reference product/service or baseline scenario used
<Not Applicable>

Life cycle stage(s) covered for the reference product/service or baseline scenario
<Not Applicable>

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario
<Not Applicable>

Explain your calculation of avoided emissions, including any assumptions
<Not Applicable>

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year
85

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?
No

C5.1a

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

Row 1

Has there been a structural change?
No

Name of organization(s) acquired, divested from, or merged with
<Not Applicable>

Details of structural change(s), including completion dates
<Not Applicable>

C5.1b

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

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	Yes, a change in boundary	In 2021 we expanded our scope 3 reporting to include all emissions associated with our value chain. This included upstream purchased goods and services and capital goods, and downstream use of sold products. This has significantly increased our scope 3 emissions reported.

C5.1c

(C5.1c) Have your organization's base year emissions been recalculated as result of the changes or errors reported in C5.1a and C5.1b?

	Base year recalculation	Base year emissions recalculation policy, including significance threshold
Row 1	Yes	In 2021 we expanded our scope 3 reporting to include all emissions associated with our value chain. This increased our total scope 3 emissions by a greater amount than our significance threshold. This is the first year we have reported a scope 3 target.

C5.2

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

Scope 1

Base year start
November 1 2018

Base year end
October 31 2019

Base year emissions (metric tons CO2e)
6721

Comment

Scope 2 (location-based)

Base year start
November 1 2018

Base year end
October 31 2019

Base year emissions (metric tons CO2e)
1737

Comment

Scope 2 (market-based)

Base year start
November 1 2018

Base year end
October 31 2019

Base year emissions (metric tons CO2e)
1171

Comment

Scope 3 category 1: Purchased goods and services

Base year start
November 1 2018

Base year end
October 31 2019

Base year emissions (metric tons CO2e)
122094

Comment

Scope 3 category 2: Capital goods

Base year start
November 1 2018

Base year end
October 31 2019

Base year emissions (metric tons CO2e)
100023

Comment

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

Base year start
November 1 2018

Base year end
October 31 2019

Base year emissions (metric tons CO2e)
2193

Comment

Scope 3 category 4: Upstream transportation and distribution

Base year start
November 1 2018

Base year end
October 31 2019

Base year emissions (metric tons CO2e)
6168

Comment

Scope 3 category 5: Waste generated in operations

Base year start
November 1 2018

Base year end
October 31 2019

Base year emissions (metric tons CO2e)
46

Comment

Scope 3 category 6: Business travel

Base year start
November 1 2018

Base year end
October 31 2019

Base year emissions (metric tons CO2e)
756

Comment

Scope 3 category 7: Employee commuting

Base year start
November 1 2018

Base year end
October 31 2019

Base year emissions (metric tons CO2e)
765

Comment

Scope 3 category 8: Upstream leased assets

Base year start
November 1 2018

Base year end
October 31 2019

Base year emissions (metric tons CO2e)
0

Comment
Crest Nicholson has no upstream leased assets.

Scope 3 category 9: Downstream transportation and distribution

Base year start
November 1 2018

Base year end
October 31 2019

Base year emissions (metric tons CO2e)
0

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

Scope 3 category 10: Processing of sold products

Base year start
November 1 2018

Base year end
October 31 2019

Base year emissions (metric tons CO2e)
0

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

Scope 3 category 11: Use of sold products

Base year start
November 1 2018

Base year end
October 31 2019

Base year emissions (metric tons CO2e)
442223

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

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

Base year start
November 1 2018

Base year end
October 31 2019

Base year emissions (metric tons CO2e)
4004

Comment

Scope 3 category 13: Downstream leased assets

Base year start
November 1 2018

Base year end
October 31 2019

Base year emissions (metric tons CO2e)
0

Comment
Crest Nicholson does not have any downstream leased assets.

Scope 3 category 14: Franchises

Base year start
November 1 2018

Base year end
October 31 2019

Base year emissions (metric tons CO2e)
0

Comment
Crest Nicholson does not operate any franchises.

Scope 3 category 15: Investments

Base year start
November 1 2018

Base year end
October 31 2019

Base year emissions (metric tons CO2e)
0

Comment
Investment related emissions are not relevant to the business.

Scope 3: Other (upstream)

Base year start
November 1 2018

Base year end
October 31 2019

Base year emissions (metric tons CO2e)
0

Comment
Not applicable

Scope 3: Other (downstream)

Base year start
November 1 2018

Base year end
October 31 2019

Base year emissions (metric tons CO2e)
0

Comment
Not applicable

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.
Defra Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, 2019
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
3638

Start date
<Not Applicable>

End date
<Not Applicable>

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

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based
We are reporting a Scope 2, market-based figure

Comment
Scope 2 emissions reported as both market-based and location-based in our Annual Integrated Report 2021 and in our ESG Data Handbook.

C6.3

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

Reporting year

Scope 2, location-based
1718

Scope 2, market-based (if applicable)
263

Start date
<Not Applicable>

End date
<Not Applicable>

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

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?
No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
76758

Emissions calculation methodology
Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

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

Capital goods

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
86988

Emissions calculation methodology
Average product method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

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

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

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
1809

Emissions calculation methodology
Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

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

Upstream transportation and distribution

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
5960

Emissions calculation methodology
Average product method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

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

Waste generated in operations

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
25

Emissions calculation methodology
Waste-type-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

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

Business travel

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
363

Emissions calculation methodology
Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

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

Employee commuting

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
657

Emissions calculation methodology
Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

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

Upstream leased assets

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Crest Nicholson has no upstream leased assets.

Downstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Crest Nicholson does not have any downstream transportation and distribution.

Processing of sold products

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

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

Use of sold products

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
361127

Emissions calculation methodology
Methodology for direct use phase emissions, please specify (Dwelling emission rate (DER) of homes used. Factored in grid decarbonisation using BEIS Green Book projections.)
Methodology for indirect use phase emissions, please specify (RICS professional statement for whole life carbon modulated to account for residential energy end use.)

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

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

End of life treatment of sold products

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
3158

Emissions calculation methodology
Average product method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

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

Downstream leased assets

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Crest Nicholson does not have any downstream leased assets.

Franchises

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Crest Nicholson does not operate any franchises.

Investments

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Crest Nicholson does not have any investments.

Other (upstream)

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
No other upstream emissions.

Other (downstream)

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
No other downstream emissions.

C-CN6.6/C-RE6.6

(C-CN6.6/C-RE6.6) Does your organization assess the life cycle emissions of new construction or major renovation projects?

	Assessment of life cycle emissions	Comment
Row 1	No, but we plan to for upcoming projects	We conducted life cycle emissions assessment on a benchmark house type as part of our scope 3 emissions inventory in 2021. We are also members of a Future Homes Hub workstream on whole life carbon. This brings together representatives across the construction sector designed to develop the methodology for assessing the life cycle emissions associated with home building. In the next year we will be assessing the lifecycle emissions across a number of projects.

C6.7

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

C6.7a

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

	CO2 emissions from biogenic carbon (metric tons CO2)	Comment
Row 1	353.3	Hydrotreated Vegetable Oil (HVO) biodiesel was consumed in the most recent year (2021), but not in the base year (2019). Methodology: Crest Nicholson generates CO2 emissions from biofuel combustion (HVO) onsite. The CO2 emissions from this biofuel use are calculated in line with the GHG protocol and reported 'outside scopes'. Within the Scope 1 emissions for biofuels, the CO2 emissions value is set as net '0' to account for the CO2 absorbed by fast-growing bioenergy sources during their growth. The Scope 1 emissions reported represent the N2O and CH4 emissions (which are not absorbed during growth). Scope 3 emissions relate to the well-to-tank emissions of biofuel production. Emissions factors for all HVO-related emissions are taken from UK Government Company Reporting Guidance.

C6.10

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

Intensity figure
6.8090516145

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
5356

Metric denominator
unit total revenue

Metric denominator: Unit total
786.6

Scope 2 figure used
Location-based

% change from previous year
21.81

Direction of change
Decreased

Reason for change
Combination of an increase in revenue and a reduction in overall scope 1 and 2 emissions, driven significantly by reductions in emissions associated with site diesel use.

Intensity figure
2.52

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
5356

Metric denominator
Other, please specify (units per 100 m2 delivered)

Metric denominator: Unit total
212398

Scope 2 figure used
Location-based

% change from previous year
18.18

Direction of change
Decreased

Reason for change
Combination of an increase in build area and a reduction in overall scope 1 and 2 emissions, driven significantly by reductions in emissions associated with site diesel use.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?
Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	3609	IPCC Fourth Assessment Report (AR4 - 100 year)
CH4	5	IPCC Fourth Assessment Report (AR4 - 100 year)
N2O	24	IPCC Fourth Assessment Report (AR4 - 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
United Kingdom of Great Britain and Northern Ireland	3638

C7.3

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

By activity

C7.3c

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

Activity	Scope 1 emissions (metric tons CO2e)
Offices	129
Construction sites	3019
Business travel	490

C7.5

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

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
United Kingdom of Great Britain and Northern Ireland	1718	263

C7.6

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

By activity

C7.6c

(C7.6c) Break down your total gross global Scope 2 emissions by business activity.

Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Offices	122	33
Construction sites	1596	230

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change	0	Although we have increased our proportion of renewable energy consumption in the reporting year, this reduces our market-based emissions as opposed to our location-based emissions for which we are reporting in this section. Our carbon emission reduction targets are also location-based.
Other emissions reduction activities	521.9	Decreased	8.7	Emission reduction activities implemented during the reporting year (FY2021) are estimated to have reduced carbon emissions by 521.9 tCO2e. Our total Scope 1 and Scope 2 emissions in 2020 were 6,003.7 tCO2e. The percentage change value resulting from emissions reduction activities has therefore been calculated as (521.9/6,003.7)*100 = reduction of 8.7%. The emission reduction activities have included upgrading our telehandler fleet to more efficient engines and trialling the use of biodiesel on 13 of our construction sites. More detail on these initiatives is provided in section 4.3b.
Divestment	0	No change	0	N/A
Acquisitions	0	No change	0	N/A
Mergers	0	No change	0	N/A
Change in output	0	No change	0	The slight increase in output of homes completed is not determined to have played a substantive role in changing emissions.
Change in methodology	0	No change	0	N/A
Change in boundary	0	No change	0	N/A
Change in physical operating conditions	0	No change	0	N/A
Unidentified	0	No change	0	N/A
Other	126	Decreased	2.1	This figure of 126 tonnes CO2e represents the carbon reduction associated with the decarbonisation of the UK grid. UK Government GHG conversion factors are updated annually and we apply these to the relevant reporting year. To calculate the impact on emissions, we have compared the emissions associated with electricity consumption using the 2021 GHG conversion factors against the 2020 factors used the prior year. The result was 126 tCO2e. Out of our total scope 1 and 2 emissions in 2020, this equates to a reduction of 2.1%.

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	No

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	1818.98	15502.05	17321.03
Consumption of purchased or acquired electricity	<Not Applicable>	4996.93	3013.87	8010.8
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Total energy consumption	<Not Applicable>	6815.91	18515.92	25331.83

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

Heating value
HHV

Total fuel MWh consumed by the organization
1818.98

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

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

Other biomass

Heating value

Total fuel MWh consumed by the organization

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment

Other renewable fuels (e.g. renewable hydrogen)

Heating value
Please select

Total fuel MWh consumed by the organization

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment

Coal

Heating value

Total fuel MWh consumed by the organization

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment

Oil

Heating value
HHV

Total fuel MWh consumed by the organization
471.32

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment
Motor gasoline used in vehicles.

Gas

Heating value
HHV

Total fuel MWh consumed by the organization
6033.18

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

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

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

Heating value
HHV

Total fuel MWh consumed by the organization
8997.55

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment
Diesel used for plant and equipment on site and in vehicles and LPG.

Total fuel

Heating value
HHV

Total fuel MWh consumed by the organization
17321.03

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment
Total of all the above fuels.

C8.2e

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

Sourcing method
Green electricity products from an energy supplier (e.g. green tariffs)

Energy carrier
Electricity

Low-carbon technology type
Renewable energy mix, please specify (Renewable electricity associated with tariffs for our offices are sourced from wind, solar and tidal. Renewable electricity associated with tariffs for our sites are based on a mix on supplier generated electricity and partnering with wind farms.)

Country/area of low-carbon energy consumption
United Kingdom of Great Britain and Northern Ireland

Tracking instrument used
REGO

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)
4996.93

Country/area of origin (generation) of the low-carbon energy or energy attribute
United Kingdom of Great Britain and Northern Ireland

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

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

C8.2g

(C8.2g) Provide a breakdown of your non-fuel energy consumption by country.

Country/area
United Kingdom of Great Britain and Northern Ireland

Consumption of electricity (MWh)
8010.8

Consumption of heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
8010.8

Is this consumption excluded from your RE100 commitment?
<Not Applicable>

C9. Additional metrics

C9.1

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

C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6

(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

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

C-CN9.6a/C-RE9.6a

(C-CN9.6a/C-RE9.6a) Provide details of your organization's investments in low-carbon R&D for real estate and construction activities over the last three years.

Technology area
Unable to disaggregate by technology area

Stage of development in the reporting year
<Not Applicable>

Average % of total R&D investment over the last 3 years
≤20%

R&D investment figure in the reporting year (optional)
580000

Comment
The Group Production team, including the Group Production Director, Procurement Director , Technical Director and Head of Sustainability, have researched opportunities to improve building fabric together with new technologies, including heating technology, in preparation for updates to Building Regulations and the Future Homes Standard. This has included engagement with suppliers and energy assessors to research the potential carbon emission impacts of different building fabrics and technologies. The business is monitoring feedback from stakeholders involved in delivering, and residing in, a net zero carbon site that is being developed by the business. The business is also researching low carbon solutions for site operations, such as electric plant and equipment and has trialled the use of HVO biodiesel across 13 sites in 2021.

C-CN9.10/C-RE9.10

(C-CN9.10/C-RE9.10) Did your organization complete new construction or major renovations projects designed as net zero carbon in the last three years?
Yes

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

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

Property sector
Residential

Definition(s) of net zero carbon applied
National/local government standard, please specify (Planning Policy Statement 1: Eco Towns defines net zero as "over a year the net carbon dioxide emissions from all energy sources within the buildings on the development as a whole are zero or below".)

% of net zero carbon buildings in the total number of buildings completed in the last 3 years
2

Have any of the buildings been certified as net zero carbon?
No

% of buildings certified as net zero carbon in the total number of buildings completed in the last 3 years
<Not Applicable>

Certification scheme(s)
<Not Applicable>

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

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

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

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Crest Nicholson 2021 verification statement.pdf

Page/ section reference
Verification statement pages 1 & 2

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach
Scope 2 location-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Crest Nicholson 2021 verification statement.pdf

Page/ section reference
Verification statement pages 1 & 2

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

C10.1c

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

Scope 3 category
Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)
Scope 3: Waste generated in operations
Scope 3: Business travel
Scope 3: Employee commuting

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Crest Nicholson 2021 verification statement.pdf

Page/section reference
Verification statement pages 1 & 2

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
1

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?
No, but we are actively considering verifying within the next two years

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?
No, and we do not anticipate being regulated in the next three years

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?
No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, but we anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers/clients

C12.1a

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

Type of engagement
Engagement & incentivization (changing supplier behavior)

Details of engagement
Run an engagement campaign to educate suppliers about climate change

% of suppliers by number
10

% total procurement spend (direct and indirect)
49

% of supplier-related Scope 3 emissions as reported in C6.5
50

Rationale for the coverage of your engagement
Our suppliers will play a crucial role in supporting us to mitigate our impact on, and effectively adapt to, climate change. Approximately one third of our emissions are related to our upstream supply chain and the materials that are used to build our homes and developments. In 2021 we became partners of the Supply Chain Sustainability School (School). Using the School's data, we were able to ascertain the number of our key suppliers who were registered with the school, to which level, and the resources they had been accessing. We identified 77 cross-divisional subcontract and 72 Group supplier partners, 149 in total. These supply chain partners were deemed to have the highest impact in terms of carbon emissions. Of the 149 companies, 47 were registered with the School (32%) and 12 were graded by the School as either bronze, silver or gold level dependent on levels of engagement and courses taken with the school. From this we ascertained that there was more to be done to increase the number of suppliers signed up and actively engaging with the School to improve their supplier grading.

Impact of engagement, including measures of success
We conducted an email campaign to increase the number of our supply chain partners that are members of the School. By engaging our supply chain and introducing them to the free resources available from the School, which includes significant coverage of climate change, we aimed to improve understanding of issues and increase positive action being taken. Of the suppliers we engaged with, we have observed an increase in company registrations to 33% as well as increasing the number of our supply chain partners with a bronze/silver/gold rating from 12 to 16, an increase of 33%. While the improvements have been marginal this year, we expect to see further increases in the coming year. We are working closely with our supply chain to engage them with the School as well as looking to incorporate a minimum level of School rating as well as training courses completed.

Comment
The supplier related carbon emissions % is a conservative estimate based on procurement spend.

Type of engagement
Information collection (understanding supplier behavior)

Details of engagement
Collect climate change and carbon information at least annually from suppliers

% of suppliers by number
0.1

% total procurement spend (direct and indirect)
1

% of supplier-related Scope 3 emissions as reported in C6.5
10.5

Rationale for the coverage of your engagement
Following the completion of our scope 3 calculations, we identified a number of our key material suppliers that are responsible for relatively high levels of carbon emissions. As our supply chain is responsible for around a third of our value chain emissions, it is important that we engage with our suppliers, particularly those with the highest carbon footprint. We engaged with these key suppliers through meetings and video conferences to understand the actions they have taken so far to reduce their carbon emissions, as well as their plan to transition to net-zero in line with our own ambitions to be net zero by 2045.

Impact of engagement, including measures of success
From the initial conversations we had, we understand our value chain are at different stages of transitioning towards net zero, with a range of barriers, from technological advances (hydrogen in place of natural gas) to understanding complex supply chains. These conversations have highlighted the challenges and opportunities for our value chain and this has guided our development of a supplier engagement survey (a key output of our supply chain engagement) to help us ask the right questions to understand where our wider value chain are in their net zero journey. The supplier meetings also allowed us to gain a better understanding of the potential climate-related risks and will also help us map our supply chain to identify products and materials that present both risks and opportunities for emissions reduction.

Comment
To calculate the % of supplier related scope 3 emissions, the materials provided by the suppliers we engaged with account for 21% of the embodied carbon associated with the materials in the bill of quantities for our benchmark house type. Approximately 50% of our upstream scope 3 emissions is associated with the the materials in our bill of quantities. 21% of the 50% equates to 10.5%.

C12.1b

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

Type of engagement & Details of engagement

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

% of customers by number
100

% of customer - related Scope 3 emissions as reported in C6.5
100

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

Impact of engagement, including measures of success
A measure of success is our customer satisfaction scores and comments on our home demonstrations and quality of the home. Customers are asked to complete a satisfaction survey, via a third party, approximately eight weeks after moving into their new home. Currently, over 87% of our customers were positive about their home demonstration experience.

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?
Yes, climate-related requirements are included in our supplier contracts

C12.2a

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

Climate-related requirement
Other, please specify (Compliance with our Supply Chain Code of Conduct)

Description of this climate related requirement
We have a Supply Chain Code of Conduct (the Code) which all suppliers, subcontractors and consultants are required to adhere to. This explicitly references our expectation of our supply chain partners to reduce energy, water and fuel consumption and to consider low carbon or renewable fuels and technologies where possible. The Code also requires that our supply chain partners fully comply with the ethos and objectives set out in our Climate Change Policy. The Code also sets out our expectations on reducing waste. Supply chain partners are required to take into account: • how to minimise the use of materials and the production of waste • how to maximise the re-use, recycling and recovery of construction, demolition and excavation materials • the use of reclaimed products and materials, and those with a high-recycle content where feasible A requirement to adhere to, and act in accordance with, our Supply Chain Code of Conduct is included in our standard conditions for the purchase of goods, contracts, and framework agreements with suppliers and subcontractors.

% suppliers by procurement spend that have to comply with this climate-related requirement
100

% suppliers by procurement spend in compliance with this climate-related requirement
100

Mechanisms for monitoring compliance with this climate-related requirement
Supplier self-assessment

Response to supplier non-compliance with this climate-related requirement
Retain and engage

C12.3

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

Row 1

Direct or indirect engagement that could influence policy, law, or regulation that may impact the climate

Yes, we engage directly with policy makers
Yes, we engage indirectly through trade associations
Yes, we engage indirectly by funding other organizations whose activities may influence policy, law, or regulation that may significantly impact the climate

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

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

Attach commitment or position statement(s)

<Not Applicable>

Describe the process(es) your organization has in place to ensure that your engagement activities are consistent with your overall climate change strategy

Members of our Executive Leadership Team and senior management conduct engagement that can influence policy, law or regulation that may impact the climate. It is the same company representatives that are responsible for leading, developing and communicating our climate strategy, ensuring that any engagement is consistent with our company objectives on climate change.

Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

<Not Applicable>

Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

<Not Applicable>

C12.3a

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

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

Adaptation and/or resilience to climate change
Minimum energy efficiency requirements

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

We are engaging on the updates to Building Regulations, including Part L (conservation of fuel and power), Part O (overheating), Part F (ventilation) and Part S (infrastructure for the charging of electric vehicles).

Policy, law, or regulation geographic coverage

National

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

United Kingdom of Great Britain and Northern Ireland

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

Support with no exceptions

Description of engagement with policy makers

Senior directors of the business regularly discuss policy changes and emerging requirements with our trade association (HBF), Department of Levelling up, Housing and Communities (DLUHC) officials, and regulators. The business is also a member of the Future Homes Hub, with colleagues representing Crest Nicholson on various workstreams. An example is the whole life carbon workstream, which is influencing future policy on the embodied carbon emissions associated with home building.

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

<Not Applicable>

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

Yes, we have evaluated, and it is aligned

C12.3b

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

Trade association
Other, please specify (Homebuilders Federation (HBF))

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

Has your organization influenced, or is your organization attempting to influence their position?
We publicly promote their current position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)
Supportive of progressive reductions of carbon emissions associated with new build homes. Developing a framework and roadmap to deliver low carbon homes and sustainable communities to help mitigate and adapt to the impacts of climate change and supporting the government to achieve net zero emissions by 2050.

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

Describe the aim of your organization's funding
<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

C12.3c

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

Type of organization
Research organization

State the organization to which you provided funding
Future Homes Hub

Funding figure your organization provided to this organization in the reporting year (currency as selected in C0.4)
11000

Describe the aim of this funding and how it could influence policy, law or regulation that may impact the climate
The funding contributes to facilitating the work of the Future Homes Hub (FHH). The FHH brings together all sectors involved in the home building industry and sets out the goals, the roadmap and the requirements to support the development of high-quality sustainable homes across the whole sector. Key elements of the roadmap include: - High-quality homes that are zero carbon ready and sustainable - Places and developments that are consistently low carbon, nature-rich, resilient, healthy, well designed and beautiful by 2025 - Production and construction methods that are net zero and sustainable by 2050 with substantial progress by 2025 and 2030 - Businesses operations in line with the Race to Zero: net zero by 2050 at the latest with a 50% reduction by 2030 The FHH will work closely with government to ensure the roadmap is supported. This engagement is vital to give widespread confidence that the plan is in line with government's objectives and to unblock progress where necessary.

Have you evaluated whether this funding is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication
In mainstream reports

Status
Complete

Attach the document
Crest Nicholson Annual Integrated Report 2021.pdf

Page/Section reference
Annual Integrated Report 2021. Section: Integrating Sustainability (pages 22-31), TCFD Statement (pages 60,61) and GHG Emissions Report (page 128)

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

C15. Biodiversity

C15.1

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

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity	Scope of board-level oversight
Row 1	Yes, board-level oversight	Oversight of biodiversity sits within the remit of the Sustainability Committee, which is chaired by our Chief Executive Officer. The business is committed to delivering a biodiversity net gain in line with the Environment Act 2021.	<Not Applicable>

C15.2

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

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	Yes, we have made public commitments only	Commitment to Net Positive Gain	<Not Applicable>

C15.3

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

	Does your organization assess the impact of its value chain on biodiversity?	Portfolio
Row 1	No, but we plan to assess biodiversity-related impacts within the next two years	<Not Applicable>

C15.4

(C15.4) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

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

C15.5

(C15.5) Does your organization use biodiversity indicators to monitor performance across its activities?

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

C15.6

(C15.6) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located

C16. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C16.1

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

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

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

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

Please confirm below

I have read and accept the applicable Terms