



CORPORATE RESPONSIBILITY

2020-2021

Bellway

Bellway4Good

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1. VISION

Introduction

As one of the UK's leading homebuilders, at Bellway we build homes to be proud of by putting customers at the heart of everything we do. We are committed to being a responsible homebuilder, operating our business in a responsible and sustainable manner whilst creating long-term value for the benefit of our customers, colleagues, suppliers, shareholders and the wider community.

This is the final year that we will be reporting our Corporate Responsibility ('CR') activities under the Bellway4Good banner with the three core pillars of:

- **Environment (biodiversity and ecology; carbon emissions; energy; transport; water)**
- **Construction (planning; procurement; research and development; site management; waste management)**
- **Society and Economy (charities; customers; economic development; employees; health and safety; stakeholders)**

This update covers our CR activity in the 2020/21 year, summarising key developments and data under these three 'pillars', including how we have performed against our annual targets..

New Sustainability Strategy

Our long-term growth strategy requires us to engage positively with our colleagues, subcontractors and supply chain partners in order to safely deliver a high-quality product that is appealing to our customers. We have therefore spent 2021/22 developing and implementing a new integrated sustainability framework under the banner 'Better with Bellway', which is a long-term priority for the Group, alongside our other strategic priorities of volume growth and value creation for shareholders.

Better with Bellway is about creating a positive impact on people and the environment. The aim is for this to become integral to our culture, adding momentum to the many positive activities we already undertake, as well as spearheading our campaign to adopt more sustainable and responsible, long-term business practices.

With the aim of 'creating a positive impact on people and the environment through our sustainable and responsible business practices', Better with Bellway sets out eight business priority areas where our sustainability priorities can be integrated into our existing business model and commercial strategies.

- **Customers and Communities**
- **Employer of Choice**
- **Carbon Reductions**
- **Building Quality Homes, Safely**
- **Sustainable Supply Chain**
- **Resource Efficiency**
- **Biodiversity**
- **Charitable Engagement**

As part of this new framework, we have restructured our management of sustainability. A new Sustainability Leadership Team will manage sustainability at a strategic level, overseeing the development of the strategy, objectives, and targets, and engaging with the Board and key external stakeholders.

This Sustainability Leadership Team also sit on the broader 'steering group' who will meet on a regular basis to set and manage corporate objectives designed to deliver the sustainability strategy as well as reviewing progress to-date. The 'steering group' is also responsible for co-opting 'business sponsors' from across the functions within Bellway. These 'business sponsors' form the third tier of our sustainability management and will be responsible for implementing projects at a functional and departmental level to deliver on the agreed sustainability objectives and targets as well as embedding sustainability into business-as-usual activities.

You can read more about our Better with Bellway strategy on our website (www.bellwayplc.co.uk/sustainability) and in our 2021 Annual Report.

1. VISION

PERFORMANCE AGAINST 2020/21 CR TARGETS

Environment		
Waste	<p>We will assess the use of single-use plastic in our offices, construction processes and supply chain to understand where we can reduce or eliminate usage by 2021.</p> <ul style="list-style-type: none"> This review has been completed and we estimate that single-use plastics only account for 75kg of waste per plot, against a total per plot tonnage of 8.90T. We are now working with our supply chain partners to switch single-use packaging to more sustainable alternatives 	
Water	<p>We will seek to reduce water consumption across all households to 115 litres per person per day by 2022.</p> <ul style="list-style-type: none"> 61.0% of our homes sold in 2020/21 achieved or bettered this water consumption rate 	
Carbon	<p>We will aim to reduce our direct carbon emission intensity (scope 1 & 2) from our construction operations, offices and business mileage by 10% by 2022/23 (measured by CO2e per home sold; 2017/18 as a base year).</p> <ul style="list-style-type: none"> We have achieved a 24.0% reduction in carbon per home sold, exceeding the target two years early, as we have accelerated the introduction of REGO electricity into the business 	
Carbon	<p>We will fit electric vehicle charging points as standard in 50% of new homes per year we build by 2025.</p> <ul style="list-style-type: none"> In progress 	
Carbon	<p>We will aim to reduce employee business car mileage by 10% through the use of remote meeting technology and the introduction of our new agile working policy.</p> <ul style="list-style-type: none"> We achieved a 26.3% reduction due to COVID-19 social distancing restrictions accelerating the adoption of remote meeting technology, thereby aiding the reduction 	
Renewables	<p>We will fit a range of renewable energy technology to 40% of new homes built per year by 2023.</p> <ul style="list-style-type: none"> 27% of new homes sold in 2020/21 were fitted with renewable energy technology 	
Construction		
Construction Waste	<p>We will reduce the quantity of waste we generate (excl. ground works waste) per home built by 2021.</p> <ul style="list-style-type: none"> Against a target of 9.3 tonnes of waste per home constructed, we have successfully reduced waste to 8.9 tonnes per home 	
Sustainable Construction	<p>We will complete research into 6 sustainable construction methods and products, undertake trials at a division level and implement successful outcomes across the Group by 2021.</p> <ul style="list-style-type: none"> Initiatives researched include modern methods of Construction, ThermaQ heating controls for homes, structural insulating panels, offsite modular builds, less carbon intensive concrete bricks, showersave heat recovery, air source heat pumps, ground source heat pumps, electric boiler solutions and smart home technology 	
Customer and Quality	<p>We will deliver quality homes and customer satisfaction and maintain a recommend score of at least 90% in the HBF new home buyers' survey, equating to a five-star rating.</p> <ul style="list-style-type: none"> We retained our 5 Star Builder status, with 93.5% of our customers saying they would recommend Bellway to their friends 	
Smart Homes	<p>We will develop a smart-home technology package for new homes with a view to trialling on five developments by 2022.</p> <ul style="list-style-type: none"> In progress. 	
Society and Economy		
Health and Safety	<p>We will maintain our site based RIDDOR incident rates at 2019 levels or below.</p> <ul style="list-style-type: none"> We narrowly missed this target, achieving a RIDDOR rate of 336.49 against a target of 324.87 	
Diversity	<p>We will set up diversity and inclusion focus groups to gain a greater understanding of the issues and challenges facing under-represented groups of employees, informing priorities moving forwards.</p> <ul style="list-style-type: none"> The 'Balance' group is currently running projects addressing female PPE, family friendly policies and the promotion of flexible working policies 	
Employee Engagement	<p>We will implement an employee engagement survey this year and aim to achieve at least a 60% response rate.</p> <ul style="list-style-type: none"> We are pleased to report that we achieved a 72% response rate 	
Community Engagement	<p>We will develop a schools engagement pack for primary and secondary schools for use by divisions by July 2021.</p> <ul style="list-style-type: none"> The work has been completed and Bellway divisions have been tasked with delivering engagement sessions at schools in FY22 	
Charitable Giving	<p>We will extend our partnership with Cancer Research UK for a further two years and aim to increase our fundraising and donation total across the combined five-year period to at least £2 million by July 2021.</p> <ul style="list-style-type: none"> We narrowly missed our target, increasing our fundraising and donation total to £1.95 million 	

1. VISION

2021/22 SUSTAINABILITY TARGETS

Customers and Communities

- We will deliver an improved customer experience beyond the initial sales process and handover period, achieving a year-on-year increase in the 9 month customer survey, aiming to reach 90% by 2026
- We will retain our 5 Star Builder status (>90% recommend a friend) and improve our score to 95% by FY23 (2021-22 survey year)
- We will improve our overall NHBC customer satisfaction score, achieving 86.8% to 87.8% by July 2022
- We will achieve an NHBC Construction Quality Review score of 85.0% by July 2022
- We will reduce Reportable Items to 0.225 per home by July 2022
- We will aim to respond to all customer care emails within 48 hours of receipt and answer incoming customer care calls within three rings (with any missed calls returned that same day)
- We will partner with EarthWatch to plant a trial Tiny Forest on Bellway land with a view to introducing the initiative across new appropriate developments in coming years
- We will engage with 6-10 schools and colleges in each division to promote both construction and Bellway as careers routes for pupils

Employer of Choice

- We increase the proportion of employees who would recommend Bellway as a 'great place to work', achieving a >90% average score in the employee engagement survey over a 3 year period (2022 to 2024)
- We will reduce voluntary employee turnover to below 18% by 2024
- We will improve the male/female gender diversity split of our directly employed workforce from 69/71 to 60/40 by 2025
- We will improve the male/female gender diversity split of senior leaders from 82/18 to 75/25 by 2025
- We will improve the ethnic diversity of our directly employed workforce to 7% or more by 2025
- We will achieve Living Wage Accreditation by FY24
- We will upskill our workforce with investment in training, delivering 12% of the workforce in 'earn and learn' roles by 2024, maintaining our gold membership of the 5% club
- We will understand existing baseline data on employee social mobility and disability diversity by the end of 2022, with a view to then implementing a programme to drive improvement

Carbon Reduction

- We will reduce our Scope 1 and Scope 2 carbon emissions (in absolute terms) by 46% against a '1.5°C' pathway by 2030
- We will reduce our Scope 3 carbon emissions (per square metre of completed floor area) by 55% against a 'well below 2°C' pathway by 2030
- We will aim to use REGO supplies for 100% of our electricity needs by 2023
- We will implement a salary sacrifice scheme by 2023 to enable all interested employees to purchase an electric vehicle
- We will build a Bellway home in the Salford University Energy House 2.0 laboratory to assess the energy performance of our 'future homes standard' specifications
- We will trial an HVO biofuel alternative to traditional diesel with a view to switching all supplies by 2023
- We will reduce the embodied carbon of our homes by increasing the number of timber frame units we build in our northern divisions
- We will fit trial homes at three exemplar sites with energy monitoring equipment to compare energy performance and running costs of different energy efficient homes specifications by 2023
- We will install Google Smart Home technology in all homes at two development sites by 2023 and assess energy saving benefits
- We will build trial homes at three exemplar developments by 2023 to aid R&D and learnings in advance of the Future Homes Standard building regulations coming into force
- We will move to a 100% electric or hybrid company car fleet by 2025
- We will move to a 40% electric or hybrid car allowance fleet by 2025

Building Quality Homes, Safety

- We will reduce the average RIDDOR incident rate (measured over a 3-year period) to <305 by 2024
- We will ensure at least 80% of applicable employees receive training in the principles of the Group Fire Safety Policy and Building Safety Bill by 2022
- We will undertake a year-on-year preventative programme to reduce accidents to less than the previous year on:
 - Slips, trips and falls
 - Manual Handling
 - Accidents involving third parties
 - Scaffold safety
- We will introduce new health and safety training for Site Managers, Assistant Site Managers and Construction Managers, with 50% of roles trained by 2022 and 95% trained by 2023
- We will set a new KPI safety measurement for site managers by 2022
- We will introduce an improved safety induction programme with 100% of individuals undertaking induction by 2023
- We will increase the ratio of mental health first aiders across the business to 1 in 10 by 2024 (from 1 in 32)
- We will increase the number of employees receiving mental health awareness training to 1 in 5 staff by 2024 (from 1 in 33)
- We will work towards/achieve ISO14001 environmental management system certification by 2024

1. VISION

2021/22 SUSTAINABILITY TARGETS CONTINUED

Sustainable Supply Chain

- We will work to have 75% of our top 100 key suppliers registered as GOLD members of the Supply Chain Sustainability School by 2023
- We will engage with our top 10 suppliers to materially reduce single use plastics in their packaging and products by 25% by 2023
- We will switch to recycled paper and stationery across the business by 2022
- We will independently audit a sample of our large subcontractors for modern slavery compliance by 2022 and address any non-compliance issues
- We will review procurement/processes to reduce waste at all stages of supply chain

Resource Efficiency

- We will reduce waste per completed unit by 20% by FY25 (reaching 7.1 tonnes per completed unit)
- We will maintain landfill diversion rates above 99% of construction waste year-on-year
- We will reduce construction site water usage (measured in m3 of water per 1000 m2 of completed homes) against a base year of 2021 by 2025
- We will ensure that 20% of homes commenced by 2024 will be of timber frame construction
- We will reduce water consumption in our homes by ensuring 100% of new homes meet the '115 litres per person per day' water standard by 2022

Biodiversity

- We will achieve a 10% 'biodiversity net gain' on all new sites submitted for planning from 2023 onwards
- We will undertake 1 trial Tiny Forest site with EarthWatch by 2022
- We will introduce a new 'green' welcome pack for new home buyers by 2022
- We will implement hedgehog highways across all housing developments from August 2022
- We will establish a partnership with a nature charity / organisation in 2022 with the aim of
 - Delivering volunteering opportunities
 - Investigating biodiversity and carbon offsetting opportunities
 - Helping to shape Bellway's evolving biodiversity strategy
- We will investigate an additional tree planting programme, aiming to plant an additional tree for every home we sell by 2023

Charitable Engagement

- Through our partnership with Cancer Research UK, we will aim to increase our fundraising and donation total to £3 million by the end of 2023.
- We will implement a staff volunteering policy and aim to:
 - Provide 15% of office based staff the opportunity to complete a volunteering day by July 2022
 - Provide all office based staff with the opportunity to complete a volunteering day by July 2023
 - Donate 1 volunteering day per FTE per year by July 2027
- We will establish at least 1 partnership with a charity supporting disabled/disadvantaged individuals with a view to providing work placements within Bellway by 2023
- We will implement a programme of employee benefits roadshows and increase payroll giving donations against 2021 by the end of 2022

1. VISION

5 YEAR CR DATA	Financial year ended 31 st July				
	2017	2018	2019	2020	2021
KPI					
Commercial					
Total number of homes sold	9,644	10,307	10,892	7,522	10,138
Owned and controlled plots	37,855	41,077	42,721	44,589	55,233
Environment					
Scope 1 emissions ⁽¹⁾ (tCO ₂ e) ⁽²⁾	18,844	19,964	20,560	16,892	17,704
Scope 2 emissions ⁽³⁾ (tCO ₂ e) ⁽²⁾	6,065	5,289	5,155	4,097	1,780
Total Scope 1 and 2 emissions (tCO ₂ e) ⁽²⁾	22,909	25,253	25,715	20,989	19,484
tCO ₂ e ⁽²⁾ per home constructed	2.6	2.5	2.4	2.8	1.9
tCO ₂ e ⁽²⁾ per Bellway employee	9.8	9.0	8.6	6.7	6.6
Number of homes built incorporating renewable and energy saving technology	3,723	3,802	3,926	2,141	2,735
Percentage of site compounds fitted with energy saving devices	94.0%	100%	100%	100%	100%
Number of active sites with a Biodiversity Plan in place	86	248	150	186	147
Number of homes with rainwater harvesting	1,170	645	589	391	523
Number of homes with waste recycling facilities	4,645	2,776	4,081	2,239	2,834
Number of sites with SuDS designed into the scheme	198	230	255	224	255
Number of Trees planted	22,231	21,418	17,676	12,760	17,260
Number of homes with access to a cycle store	4,237	5,307	4,984	3,606	4,849
Number of sites within 500 metres of a transport node	233	254	308	230	240
Construction					
Percentage of homes developed on brownfield sites	59%	53%	43%	36%	37%
Financial contributions under Section 106 Agreements and Community Infrastructure Levy	£118.2m	£79.0m	£77.3m	£60.5m	£71.3m
Percentage of timber from sustainable sources	100%	100%	100%	100%	100%
Waste (tonnes) per home built	9.25	9.31	10.97	11.18	8.90
Percentage of waste diverted from landfill	97.8%	98.1%	98.4%	99.1%	99.4%
Society and Economy					
Number of Bellway employees as at 31 July	2,595	2,904	2,998	2,889	2,908
Percentage of females	29%	28%	30%	30%	32%
Employee turnover	21.2%	21.4%	22.4%	20.1%	26.5%
Number of apprentices, graduates and trainees employed by Bellway ⁽⁴⁾	-	142	182	258	246
Number of NHBC 'Pride In The Job' awards received	49	49	42	44	39
Number of reportable RIDDOR major injuries per year	37	37	32	19	33
Reportable incident rate per 100,000 employees	426.36	404.02	324.87	203.12	336.49
Number of health and safety prosecutions	0	1	0	0	0
Number of homes sold to Registered Providers	2,077	2,044	2,450	1,671	2,242
Charitable donations	£292,873	£291,945	£363,057	£300,000	£392,000
Employee Fundraising	£229,047	£272,096	£391,736	£237,338	£128,413
Number of units built to Secured by Design principles	3,601	3,676	3,298	2,098	2,065
Home Builders Federation star rating	5	5	5	5	5

(1) Fuel and gas, including petrol and diesel used on-site and in company vehicles on company business

(2) Tonnes of carbon dioxide equivalents

(3) Purchased electricity - 2018 figure has been restated as we now calculated Scope 2 emissions using the 'market based' methodology

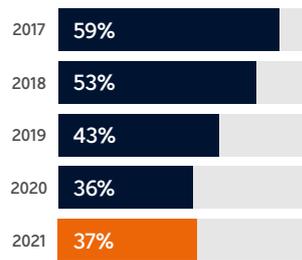
(4) Trainees included in the measure from 2018

2. ENVIRONMENT

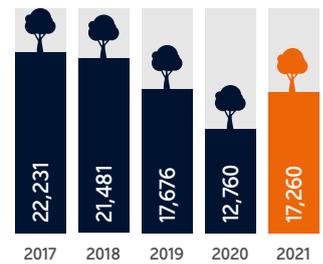
Biodiversity and Ecology

- 147 active sites (45%) had some form of a biodiversity plan in place (2020 - 186; 58%)
- 225 active sites (78%) had Sustainable Drainage Systems (SuDS) designed into the development (2020 - 224; 76%)
- Over 17,000 trees were planted across our developments (2020 - 12,760)
- On average 25 trees and shrubs were planted for every home built (2020 - 29)
- 37% of our homes were developed on brownfield sites (2020 - 36%)

Percentage of homes developed on brownfield sites



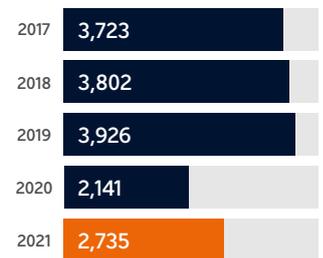
Number of trees planted



Energy

- 2,735 homes (27%) incorporated renewable and energy saving technology (2020 - 2,141; 28%)
- Our homes constructed achieved an average dwelling emission rate (DER) of 3.9% better than building regulations (2020 - 4.7% better)
- We purchase electricity from renewable sources to power the majority of our construction compounds, sales office, show homes, plot under construction and our divisional offices
- 69.2% of our electricity is sourced from renewable generation (2020 - 24.1%), with another 6.4% from other carbon free sources (2020 - 0%), meaning 75.6% of our electricity is carbon free (2020 - 24.1%)

Number of homes with energy saving / renewable technology



PERFORMANCE AGAINST 2020/21 TARGETS

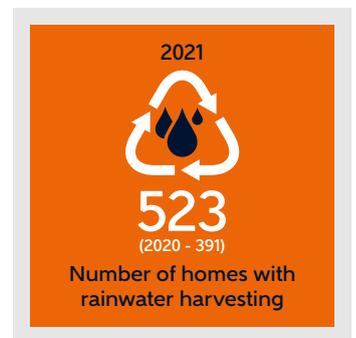
We will fit a range of renewable energy technology to 40% of new homes built per year by 2023

- 27% of new homes sold in 2020/21 were fitted with renewable energy technology



Water

- 61.0% of new homes sold in the year met or bettered our '115 litres per person per day' water consumption target (2020 - 58.5%)
- 523 homes were supplied with garden rainwater harvesting (2020 - 391)
- 255 active sites had Sustainable Drainage Systems (SuDS) designed into the development (2020 - 224), accounting for 79% of homes sold (2020 - 72%)



PERFORMANCE AGAINST 2020/21 TARGETS

We will seek to reduce water consumption across all households to 115 litres per person per day by 2022

- 61.0% of our homes sold in 2020/21 achieved or bettered this water consumption rate



Domestic and Office Waste

- 2,834 homes (28%) were constructed with integrated waste recycling facilities (2020 - 2,239; 30%)
- Bellway's office waste diversion rate has improved to 60.5% (2020 - 57.5%)

Number of homes with waste recycling facilities



2. ENVIRONMENT

Transport and Connectivity

- 4,849 homes (48%) were built with access to a cycle store (2020 – 3,606; 48%)
- 240 development sites (74%) were within 500 metres of a transport node (2020 – 230; 72%)



Climate Change

- 19,484 tonnes of carbon emissions were produced (2020 – 20,989)*
- 1.9 tonnes of carbon emissions per home construction were produced (2020 – 2.8)
- 6.6 tonnes of carbon emissions per Bellway employee were produced (2020 – 6.7)
- 100% of compounds were fitted with energy saving devices (2020 – 100%)
- 2,735 homes (27%) incorporated renewable and energy saving technology (2020 – 2,141; 28%)
- Our homes constructed achieved an average dwelling emission rate (DER) of 3.9% better than building regulations (2020 – 4.7% better)
- We purchase electricity from renewable sources to power the majority of our construction compounds, sales office, show homes, plot under construction and our divisional offices
- 69.2% of our electricity is sourced from renewable generation (2020 – 24.1%), with another 6.4% from other carbon free sources (2020 – 0%), meaning 75.6% of our electricity is carbon free (2020 – 24.1%). This has saved 5,953 tonnes of carbon from entering the atmosphere this year (2020 – 1,753 tonnes)

* Our scope 2 emissions are now reported using the market-based method to account for electricity supplies purchased under REGO contracts.

One of the key issues for all housebuilders in the UK is carbon emissions (from both operations and homes built). At Bellway we recognise that climate change is a growing and significant issue, and as a responsible housebuilder we are committed to contributing to the UK's target of net zero by 2050.

The Future Homes Standard is part of the Government's plan to reach net zero by reducing carbon emissions from the running of new homes. We have already undertaken extensive work to understand how we can redesign our homes to meet the new energy efficiency standards which will come into effect for all new homes built from 2023. We are progressing plans to build several trial home across our developments, allowing us to test upgraded building fabric standards and new technologies designed to deliver the lower 'in-use' energy and carbon emissions required by the new 2023 and 2025 standards. Bellway is also using this timeline as a roadmap for our own carbon reduction programme.

Existing home specifications prioritise energy efficiency, with double glazing, energy efficient lighting and the latest boiler technology, delivering reduced running costs and lower carbon footprints for customers. We also included renewable energy technology to 27.0% of our new homes (2020 – 28.4%), further reducing customers' energy consumption and bills, and on average, the Dwelling Emission Rate (DER) of our new homes this year was 3.9% better than required by the relevant building regulations (2020 – 4.7%).

This work sits alongside our ongoing activity which focuses on the energy efficiency of our site compounds, telehandler fleet and show homes. We are also undertaking trials of a green diesel, made from hydrotreated vegetable oils, as a replacement for the red diesel used in our site generators and telehandlers. If successful and rolled out across the business, the new fuel has the potential to significantly reduce our site diesel carbon emissions.

We are pleased to report that we have achieved our carbon reduction target two years early. In 2021 we extended our use of REGO (Renewable Energy Guarantee of Origin) electricity supplies to include plots under construction, show homes and sales offices, and we now have over 69.2% of our electricity supplied from renewable sources, with an additional 6.4% from carbon free sources. This has saved 5,953 tonnes of carbon from entering the atmosphere and reduced our carbon per home sold to 1.9 tonnes, a 24.0% reduction against a target of 10% (2018 – 2.5 tonnes).

As part of our sustainability strategy review, we have worked with The Carbon Trust to develop a series of science-based targets to drive long-term carbon reductions within the business and align our carbon reduction aspirations with the UK carbon net zero target of 2050. These targets, currently with the Science Based Target initiative for validation, address scope 1 and 2, and separately scope 3, emissions. As we implement and embed our new sustainability strategy, further energy and carbon initiatives will be introduced across the business, including investigations into switching to bio-diesel fuels on sites and increasing the proportion of electricity sourced from REGO supplies.

2. ENVIRONMENT

Greenhouse Gas Emission (tonnes of CO ₂ e) ¹	2021	2020
Scope 1 - Combustion of fuel & operation of facilities (including diesel and petrol used on-site and in company cars on Group business)	17,704	16,892
Scope 2 - Electricity purchased for our own use (market-based) ²	1,780	4,097
Total scope 1 and 2 GHG Emissions (market-based) ²	19,484	20,989
Energy consumption used to calculate above emissions (kWh)	84,971,433	88,061,917
GHG intensity (market-based) per Bellway home sold	1.9	2.8
GHG intensity (market-based) per Bellway employee ³	6.6	6.7
<hr/>		
Scope 1 - Combustion of fuel & operation of facilities (including diesel and petrol used on-site and in company cars on Group business)	17,704	16,892
Scope 2 - Electricity purchased for our own use (location-based) ⁴	5,282	4,877
Total scope 1 and 2 GHG Emissions (location-based) ²	22,986	21,769
Energy consumption used to calculate above emissions (kWh)	102,076,721	92,663,081
GHG intensity (market-based) per Bellway home sold	2.3	2.9
GHG intensity (market-based) per Bellway employee ³	7.8	7.0
<hr/>		
Scope 3 - Disposal of waste	2,095	1,932
Scope 3 - Emissions from employee business travel in non-company vehicles	1,784	1,799

1 Carbon dioxide equivalent.

2 Our scope 2 emissions are now reported using the market-based method to account for electricity supplies purchased under REGO contracts.

3 Based on the average number of employees during the year.

4 Scope 2 emissions reported using the location-based method for total electricity used which does not account for the zero carbon nature of electricity purchased under REGO and other carbon free contracts.

An element of carbon estimation is undertaken in the following areas:

- **Diesel fuel usage on a small number of sites where fuel is provided by our groundwork contractors. Bellway's share of the usage is estimated based on forklift usage.**
- **Divisional offices where gas and electricity usage are included within landlord charges. Bellway's usage is estimated using a kwh per square meter of occupied floor space figure derived from other divisional offices with utility billing in place.**

The COVID-19 shutdown in March-May 2020 and then continuing social distancing restrictions, make a comparison between 2021 and 2020 difficult. However, with the resumption of construction activity at a site level (initially at a reduced level) we have seen scope 1 emissions rise by 4.8%. Scope 2 emissions (market-based) have fallen significantly by 56.6%, due to our increased use of REGO (Renewable Energy Guarantee of Origin) electricity supplies and the ongoing decarbonisation of the UK electricity mix. 75.6% of our electricity is now from carbon free sources which has saved 5,953 tonnes of carbon from entering the atmosphere in the past year. Discounting the benefit of our REGO supplies, location-based scope 2 emissions rose by 8.3%.

Overall, total scope 1 and 2 emissions (market-based) fell by 7.2% and with 10,138 new homes completed for the year, our carbon per home sold metric fell by 32.1% to 1.9 tonnes (2020 - 2.8). This has seen us meet our carbon reduction target of a 10% fall in carbon per completed home two years early. With employee numbers largely static, our scope 1 and 2 market-based emissions per employee have also remained static.

This is the second year we have reported under SECR with the inclusion of certain scope 3 emissions (waste and business mileage) as well as total underlying energy use. Waste emissions rose by 8.4% due the comparison with 2020, which saw the temporary shutdown of sites due to the COVID-19 pandemic. Business mileage emissions have continued to fall (by 0.9%) as the business has embraced remote meeting technology and introduced an Agile Working Policy. Underlying energy use (market-based) fell by 3.5% while using the location-based method to remove the impact of our 'green electricity', the energy use rose by 10.2%.

Both the 2019/20 and 2020/21 emissions have been externally verified by Zeco Energy to a 'reasonable assurance level' using the ISO-14064-3 verification standard.

PERFORMANCE AGAINST 2020/21 TARGETS

We will aim to reduce our direct carbon emission intensity (scope 1 & 2) from our construction operations, offices and business mileage by 10% by 2022/23 (measured by CO₂e per home sold; 2017/18 as a base year)

- We have achieved a 24.0% reduction in carbon per home sold, exceeding the target two years early, as we have accelerated the introduction of REGO electricity into the business



We will fit electric vehicle charging points as standard in 50% of new homes per year we build by 2025

- In progress



We will aim to reduce employee business car mileage by 10% through the use of remote meeting technology and the introduction of our new agile working policy

- We achieved a 26.3% reduction due to COVID-19 social distancing restrictions accelerating the adoption of remote meeting technology, thereby aiding the reduction



2. ENVIRONMENT



The Director
Bellway PLC
Seaton Burn house
Dudley lane
Seaton Burn
NE13 6BE

2nd September 2021

Dear Sirs,

We have been engaged by Bellway PLC (Bellway) to examine the greenhouse gas (GHG) emissions comprising 23,362.41 metric tonnes of CO2 equivalent, as reported in the Bellway "Consolidated Group Emissions 2020-21 Q1-Q4 FINAL" document dated 31st August 2021.

Bellway is responsible for the preparation and presentation of the information within the Report. Our responsibility is to express a conclusion as to whether the greenhouse gas emission assertion is presented fairly in accordance with the verification criteria, which comprises:

- Department for Environment Food & Rural Affairs, Environmental Reporting Guidelines: Including mandatory greenhouse gas emissions reporting guidance, June 2013
- World Resources Institute, Greenhouse Gas Protocol, A Corporate Accounting and Reporting Standard, Revised Edition
- Companies Act 2006 (Strategic and Directors' Reports) Regulations 2013

Our duties in relation to this report are owed solely to Bellway. Accordingly, we do not accept any responsibility for any loss occasioned to any third party acting or refraining from action as a result of this report.

We completed our examination in accordance with ISO 14064-Part 3: *Specification with Guidance for the validation and verification of greenhouse gas assertions*.

As such, we planned and performed our examination in order to provide reasonable, rather than absolute assurance, with respect to the greenhouse gas emission assertion conformance to the verification criteria. We believe our work provides a reasonable basis for our conclusion.

Based on our examination, in our opinion the greenhouse gas emission assertion presented in the "Consolidated Group Emissions 2020-21 Q1-Q4 FINAL" have been presented fairly in accordance with the relevant criteria, in all material respects.

Ian Douglas
Lead Verifier
Zeco Energy Ltd

2nd September 2021



Zeco Energy Ltd, Dobson House, Gosforth, Newcastle Upon Tyne, NE3 3PF.

0333 5779414 operations@zecoenergy.com www.zecoenergy.com

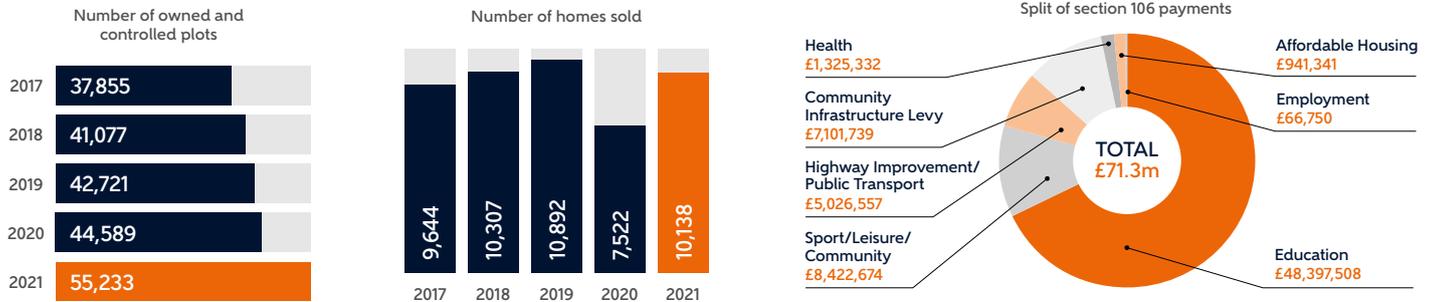
Company Registration No: 07917924 VAT Registration No: 137709202

Consolidated Group Emissions 2020/21 verification statement

3. CONSTRUCTION

Planning

- 10,138 homes were sold in the year (2020 - 7,522), a 34.8% increase against the COVID-19 impacted previous year
- 55,233 owned and controlled plots (2020 - 44,589) representing 5.4 years' worth of supply (2020 - 5.9 years)
- 37% of our homes were developed on brownfield sites (2020 - 36%)
- £71.3m was committed in community investment through Section 106 and Community Infrastructure Levy (2020 - £60.5m)



Procurement, Supply Chain Management and Research & Development

- 100% of directly supplied timber came from certified sustainable sources (2020 - 100%)
- We secured the top score of '3 trees' in the WWF's Sustainable Timber Scorecard 2019 (2017 - 3 Trees), one of only five national housebuilders to achieve this
- We remain a signatory to the Prompt Payment Code, paying our subcontractors within an average of 35 days in the first half of the year and 31 days in the second half of the year (2020 - 25 days in the first half of the year; 34 days in the second half of the year)

PERFORMANCE AGAINST 2020/21 TARGETS

We will complete research into 6 sustainable construction methods and products, undertake trials at a division level and implement successful outcomes across the Group by 2021

- Initiatives researched include modern methods of Construction, ThermaQ heating controls for homes, structural insulating panels, offsite modular builds, less carbon intensive concrete bricks, showsave heat recovery, air source heat pumps, ground source heat pumps, electric boiler solutions and smart home technology



Construction Waste

- Diversion rates continue to improve with 99.4% of waste diverted from landfill (2020 - 99.1%) - rates have risen year-on-year from 82.3% in 2012
- Tonnes of waste per home sold fell to 8.90 (2020 - 11.18) as the action on addressing rubble waste took effect across the business

Waste Performance

Waste Category	16-17	17-18	18-19	19-20	20-21
Timber (t)	10,511	11,980	15,091	12,635	12,461
Aggregates (t)	19,188	21,141	29,464	20,439	19,555
Plasterboard (t)	4,110	5,401	7,074	5,533	6,843
Mixed metals (t)	1,322	1,372	1,582	1,452	1,948
Mixed waste (t)	53,771	56,830	62,227	47,101	46,057
Electrical (t)	9	33	18	22	37
Hazardous (t)	164	19	75	13	100
Total (t)	89,075	96,776	115,531	87,195	87,002
Diverted (t)	87,196	94,966	113,667	86,377	86,438
Diverted (%)	97.8%	98.1%	98.4%	99.1%	99.4%
Waste (t) per Home Built	9.25	9.31	10.97	11.18	8.90

3. CONSTRUCTION

PERFORMANCE AGAINST 2020/21 TARGETS

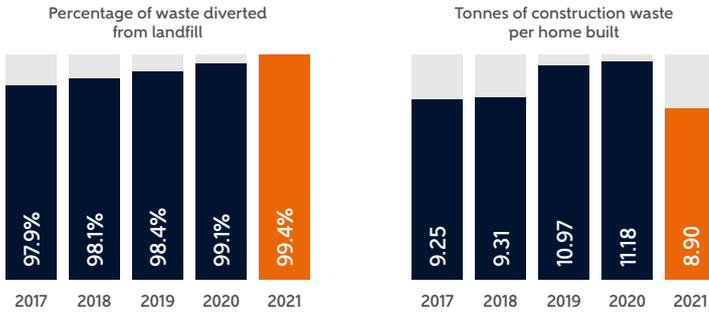
We will assess the use of single-use plastic in our offices, construction processes and supply chain to understand where we can reduce or eliminate usage by 2021

- This review has been completed and we estimate that single-use plastics only account for 75kg of waste per plot, against a total per plot tonnage of 8.90T. We are now working with our supply chain partners to switch single-use packaging to more sustainable alternatives



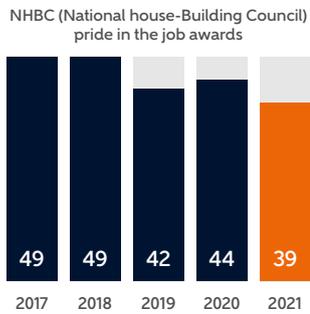
We will reduce the quantity of waste we generate (excl. ground works waste) per home built by 2021

- Against a target of 9.3 tonnes of waste per home constructed, we have successfully reduced waste to 8.9 tonnes per home



Construction Site Management

- 39 of our site managers won National House Building Council (NHBC) Pride in the Job Awards (2020 - 44) and eight of these managers went on to win Seal of Excellence awards
- As part of a drive to deliver quality homes, built to a high standard, our sites achieved an average of 0.21 NHBC Reportable Items per inspection (2020 - 0.24), against an internal target of 0.3 reportable items per inspection
- Our NHBC Construction Quality Review score of 83.8% (2020 - 80.2%) is already well above our target of 74%



4. SOCIETY AND ECONOMY

Bellway Employees

- The total number of Bellway employees (as at 31 July 2021) rose slightly to 2,908 (2020 – 2,889)
- We increased training days per employee to 4.3 days (2020 – 4.1) despite the continuing challenges of COVID-19 and social distancing
- We are members of the 5% Club, recognising our commitment to ensuring that at least 5% of our workforce are employed in graduate and apprentice development roles
- We broadly maintained the number of graduates, trainees and apprentices across the business at 246 (2020 – 258) and by the end of the year we had 8.3% of colleagues in a 'learning and earning' position
- We are a major contributor to the Construction Industry Training Board (CITB) Levy and the Apprenticeship Levy, contributing £2.1 million to schemes that invest in and support the training of workers across the construction industry (2020 - £1.9m)
- 39 of our site managers won National House Building Council (NHBC) Pride in the Job Awards (2020 – 44) and eight of these managers went on to win Seal of Excellence awards
- Employee turnover remained broadly static to 26.5% (2020 – 20.1%)
- We have increased the available matched employer pension contribution from 5% to 7% for all employees, including our site-based construction staff and directly employed tradespeople and labourers
- We have undertaken our second-ever employee engagement survey and 93% of colleagues who responded feeling proud of the quality service Bellway provides to our customers, and 89% willing to recommend Bellway to others as a great place to work
- To improve productivity, provide greater inclusion, and improved work-life balance, we have introduced a more flexible approach to employment with flexible start and finish times an Agile Working Policy to allow employees to permanently work from home for one day per week
- We estimate that our construction activities supported between 26,600 to 31,500 jobs (direct, indirect and induced) through Bellway, sub-contract labour and our supply chain
- We continue to undertake a range of health awareness activities in partnership with Cancer Research UK
- We have maintained our Health & Wellbeing programme with monthly and quarterly focus on specific various areas of health
- We operate several Employee Listening Groups across the company which have helped shape several new policies new policies relating to flexible working
- We have launched a new Equality, Diversity and Inclusion Policy, which outlines our commitment to becoming a more inclusive employer. All employees, including our senior leaders, have undertaken diversity and inclusion training, and our first diversity and inclusion network group, 'Balance', launched in February 2021, designed to empower individuals and raise awareness of potential constraints to career progression within Bellway

PERFORMANCE AGAINST 2020/21 TARGETS

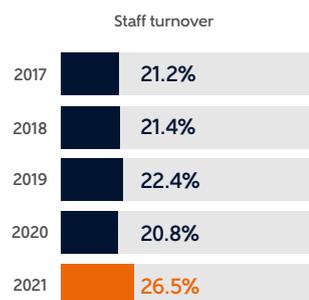
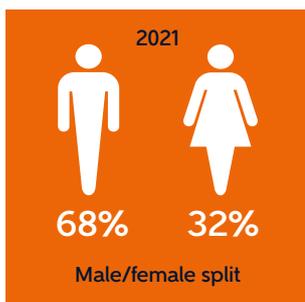
We will set up diversity and inclusion focus groups to gain a greater understanding of the issues and challenges facing under-represented groups of employees, informing priorities moving forwards

- The 'Balance' group is currently running projects addressing female PPE, family friendly policies and the promotion of flexible working policies



We will implement an employee engagement survey this year and aim to achieve at least a 60% response rate

- We are pleased to report that we achieved a 72% response rate



4. SOCIETY AND ECONOMY

Charitable Giving

- We raised and donated £351,157 for our charity partner Cancer Research UK (CRUK) (2020 - £328,493).
- This brings the total raised and donated to CRUK since August 2016 to £1,954,829, just £45K short of our £2 million target
- Overall Bellway charitable donations and fundraising amounted to £520,413 (2020 - £537,338)

The impact of the COVID-19 pandemic has been felt across all sectors, and none more so than the charity sector where fundraising revenues have fallen significantly as corporate partners and supporters have been unable to take part in fundraising activities. Therefore, it has been more important than ever for Bellway to continue our support for not only our national charity partner, Cancer Research UK ('CRUK'), but also the range of smaller local charities and community groups that we support across the country. This support for those sections of society less fortunate than ourselves remains a key aspect of our approach to CR.

CRUK has been our partner since 2016 and although employee engagement with the charity has been strong, fundraising opportunities have been limited during the challenging COVID-19 pandemic. Despite this £93,703 was raised by employees, subcontractors, and suppliers (2020 - £140,134) and when combined with Bellway's 'double matching' of employee fundraising, the total raised was £351,157 (2020 - £328,493). This brings our 5 year total to £1,954,829, just £45K short of our £2 million target which is a fantastic achievement given we were unable to carry out normal fundraising activity for the last 16 months due to the COVID-19 pandemic lockdowns and social distancing. We are pleased to report that we have extended the CRUK partnership for a further two years, with a new target of reaching £3 million in fundraising and donations by the end of 2023.

As well as our national partnership, we continue to support local charities, causes and community groups in our development areas. We support our employees with 'matching' when they undertake their own local fundraising and in 2021 this activity, although significantly restricted by the COVID-19 pandemic, raised £34,710, (2020 - £110,551). In addition, our divisional offices have maintained their support for good causes in their operating areas. In total, across all our charitable activities, Bellway, our employees, subcontractors, and suppliers have raised and donated £520,413 to good causes this year (2020 - £537,338), of which £128,413 was raised by our employees, subcontractors, and suppliers, (2020 - £237,338).

PERFORMANCE AGAINST 2020/21 TARGETS

We will extend our partnership with Cancer Research UK for a further two years and aim to increase our fundraising and donation total across the combined five-year period to at least £2 million by July 2021

- We narrowly missed our target, increasing our fundraising and donation total to £1.95 million



4. SOCIETY AND ECONOMY

Health and Safety

- We saw a small increase in our RIDDOR seven-day reportable incident rate, compared to 2019 (the last pre-COVID comparable year), up 3.6% to 336.49 incidents per 100,000 site operatives (2019 - 324.87; 2020 - 203.12)
- We delivered safety briefings addressing at all development sites, specifically addressing 'slips, trips and falls', 'falling materials', 'use of ladders' and 'manual handling' issues
- We continue to undertake a range of health awareness activities in partnership with Cancer Research UK
- We have continued our overarching Health & Wellbeing programme with monthly and quarterly focus on specific areas of health

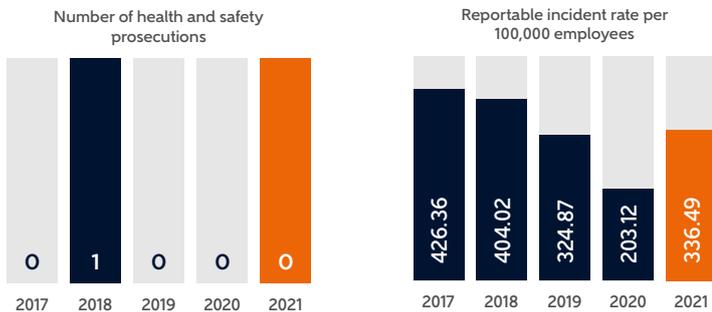
The safety, health, and wellbeing of everyone who works for Bellway remains our number one priority, be they office or site-based staff, directly employed or subcontractors. Our in house health and safety team works across our divisions, ensuring that safe working practices are promoted and embedded at all offices and sites, utilising training and toolbox talks as well as informal and formal site inspections.

Unfortunately we narrowly missed our target to keep the RIDDOR seven-day reportable incident rate to below 2019's level, recording a rate of 336.49 incidents per 100,000 site operatives for FY21 (2019 - 324.87), recording only one more accident this year compared to FY19. FY21 is also above last year's rate of 203.12, but it must be noted that 2020 was an abnormal year for safety metrics due to the site shutdowns and reduced on-site staff to meet social distancing guidelines because of COVID-19. As in previous years, we will continue to focus on accident prevention and safety education.

PERFORMANCE AGAINST 2020/21 TARGETS

We will maintain our site based RIDDOR incident rates at 2019 levels or below

- We narrowly missed this target, achieving a RIDDOR rate of 336.49 against a target of 324.87



4. SOCIETY AND ECONOMY

Economic Development

Overall

- We estimated that Bellway's construction activities in 2020-21 contributed £1.05 billion¹ in gross value added (GVA) to the UK's economic output (2020 - £782.5 million)
- A £176.5m contribution to public finances through tax revenues (corporation tax; PAYE; NI) was made to central government as a result of Bellway's activities (2020 - £135m)
- An estimated £72.6m boost was provided to local authority finances through new Bellway homes - council tax receipts and New Homes Bonus payments (2020 - £69.2m)
- Bellway spent £1.8bn in our supply chain (2020 - £1.4bn), with around £1.6bn remaining in the UK (2020 - £1.2bn)

Finance

- Following the COVID-19 impacted 2019-20 year, turnover this year rose by 40.3% to £3,122.5m (2020 - £2,225.4m)
- £88.3m was paid in corporation tax, up 101.5% (2020 - £43.8m)
- £16.5m was paid in Employers National Insurance to government (2020 - £17.4m)
- £159.9m was paid in salaries to employees (2019 - £155.2m)

New Homes

- With resumption of more stable trading environment following COVID-19, new homes sold rose by 34.8% to 10,138 (2020 - 7,522)
- There was an estimated £55.4m² boost to the local economy through one-off spend from new Bellway home owners (2020 - £41.1m), followed by an estimated £309.9m³ ongoing annual local spend by these households (2019 - £229.1m)
- 22% of our homes were delivered to affordable housing providers (2020 - 22%)
- 28% of our homes were sold to first-time buyers (2019 - 27%), helping over 2,800 homeowners get their first foot on the property ladder

Investment

- £71.3m was committed in community investment through Section 106 and Community Infrastructure Levy in the past year (2020 - £60.5m)
- We directly employ 2,908 people (2020 - 2,889 people)
- We estimate that between 26,600 and 31,500⁴ jobs are supported by our construction activities, both directly, indirectly and induced through Bellway, sub-contract labour and our supply chain

1. This figure has been calculated for Bellway by Nathaniel Litchfield & Partners using their 'Evaluate Framework' and is based on an estimated 10,817 direct jobs supported by Bellway in the house building industry

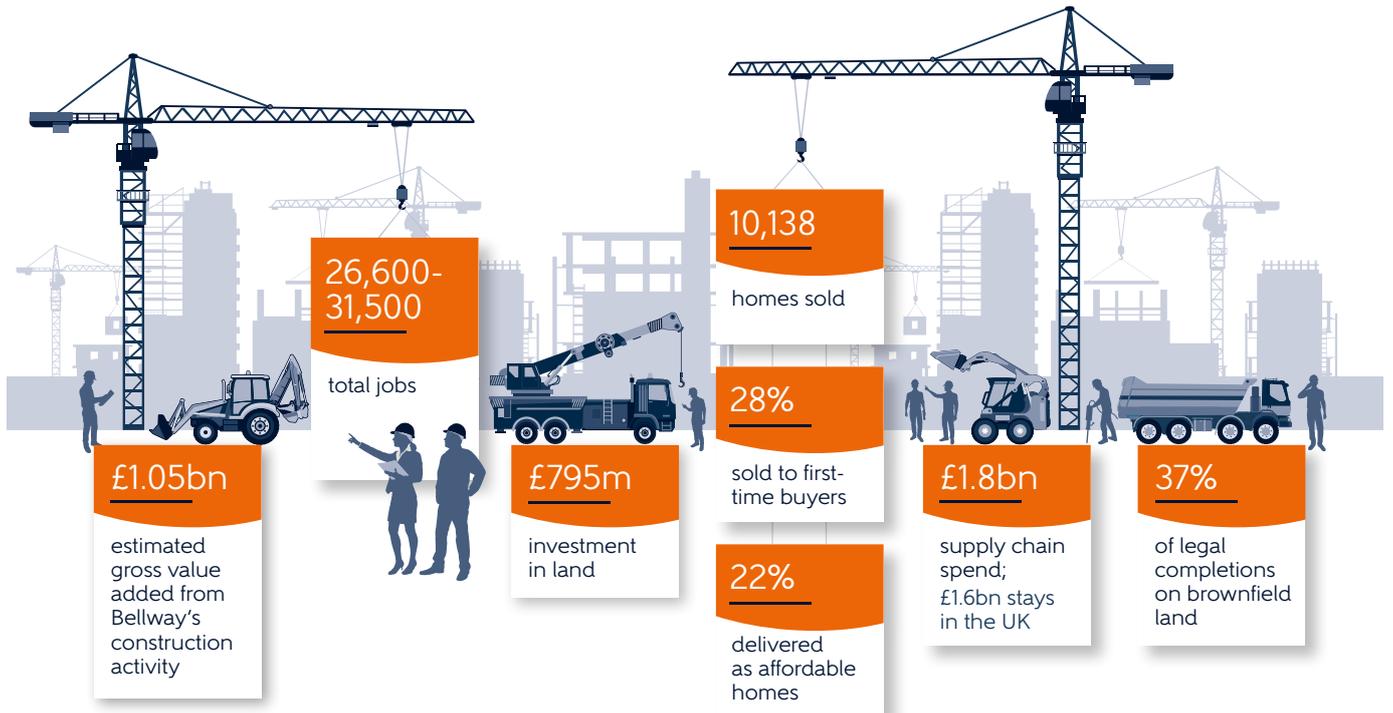
2. Estimated one-off spending on a new home of at least £5,462 - The Economic Footprint of House Building in England and Wales (2018) by Home Builders Federation and Nathaniel Litchfield & Partners

3. Estimated using average UK household weekly expenditure figure of £587.90 per week (Office of National Statistics Family Spending Survey 2020)

4. Using data/metrics from The Economic Footprint of House Building in England and Wales (2018) by Home Builders Federation and Nathaniel Litchfield & Partners



4. SOCIETY AND ECONOMY



Bellway Homes Economic Footprint 2020-21¹



¹These figures have been calculated by applying a range of publicly available metrics to Bellway data for 2020-21 year.

4. SOCIETY AND ECONOMY

Customer Engagement

- We retained our 5 Star Homebuilder rating from the House Builders Federation (HBF) (2020 – 5 Star) for the fourth year running. This means that 93.5% of our customers would recommend Bellway to a friend
- 39 of our site managers won National House Building Council (NHBC) Pride in the Job Awards (2020 – 44) and eight of these managers went on to win Seal of Excellence awards

PERFORMANCE AGAINST 2020/21 TARGETS

We will deliver quality homes and customer satisfaction and maintain a recommend score of at least 90% in the HBF new home buyers' survey, equating to a five-star rating

- We retained our 5 Star Builder status, with 93.5% of our customers saying they would recommend Bellway to their friends



Creating Sustainable Communities

- 22% of our homes were delivered to affordable housing providers (2020 – 22%)
- 28% of our homes were sold to first-time buyers (2019 – 27%), helping over 2,800 homeowners get their first foot on the property ladder
- £71.3m was committed in community investment through Section 106 and Community Infrastructure Levy in the past year (2020 – £60.5m)
- We estimate that between 26,600 and 31,500 jobs are supported by our construction activities, both directly, indirectly and induced through Bellway, sub-contract labour and our supply chain¹

1. Using data/metrics from The Economic Footprint of House Building in England and Wales (2018) by Home Builders Federation and Nathaniel Lichfield & Partners

PERFORMANCE AGAINST 2020/21 TARGETS

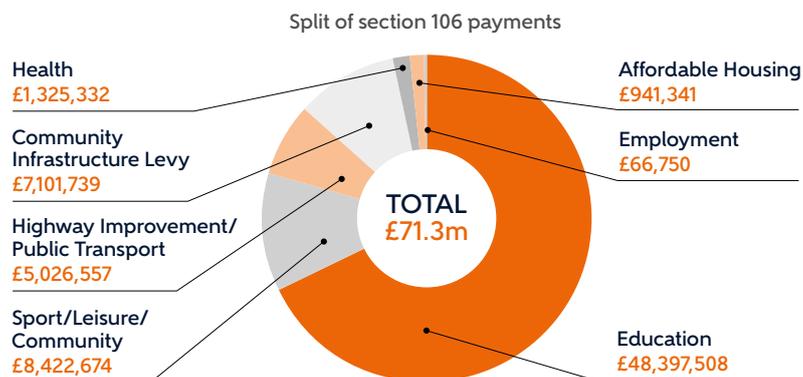
We will develop a school engagement pack for primary and secondary schools for use by divisions by July 2021

- The work has been completed and Bellway divisions have been tasked with delivering engagement sessions at schools in FY22



We will develop a smart-home technology package for new homes with a view to trialling on five developments by 2022

- In progress



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