COUNTRYSIDE IS THE UK'S LEADING MIXED-TENURE DEVELOPER. IT WAS FOUNDED OVER 60 YEARS AGO WITH THE VISION TO CREATE PLACES PEOPLE LOVE THROUGH DESIGN-LED MASTER PLANNING.
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Countryside has a strong track record of placemaking and getting the best outcome through partnering in both our Partnerships and Housebuilding divisions. We have completed more regeneration projects than our peers combined and are well positioned for further growth.

- Balanced business model with two complementary divisions.
- Impressive track record of winning new business.
- Excellent visibility through Partnerships pipeline and Housebuilding land bank.
- Increasing scale with a good platform for growth.
- Quality and customer care at the heart of our business.
- Superior return on capital.
- Strong balance sheet with capacity for growth.
Chief Executive’s statement

2019 HAS BEEN A FURTHER YEAR OF SIGNIFICANT GROWTH FOR THE GROUP DURING WHICH WE DELIVERED 5,733 MIXED-TENURE HOMES

2019 has been a further year of significant growth for the Group during which we delivered 5,733 mixed-tenure homes. We now operate from 13 regions and during the year we successfully commenced production at our first advanced modular panel factory with plans for our second now well underway. Through both facilities, we will have the capacity to provide 5,000 homes which will enable significant reductions in waste, energy consumption and traffic journeys. Our primary focus remains on creating sustainable homes and communities which offer customers choices over how they choose to live as well as investing in our people, improving our build processes and educating our supply chain.

We recognise that the world around us is changing and we, as a responsible and ethical business, need to do the same. During the coming year, we will be embarking on a number of different initiatives looking at redefining the purpose, values and culture of our business. We embrace environmental, social and governance (“ESG”) considerations at all levels within our organisation. Alongside this we have launched an exercise to redefine where we, as a business, want to position ourselves in addressing key issues such as climate change and plan on sharing this within a new social value and sustainability strategy in our next report.

Group strategy

Our strategy focuses on a balanced business with two operational models of a strategic Housebuilding division focused mainly in the East and South East of England and a Partnerships division collaborating with local authorities, housing associations and private rental sector providers in the outer London area, the Midlands, Yorkshire and the North West of England.
Our performance
In 2019 we continued to make excellent progress in implementing our growth strategy. This strategy is supported by continued strong customer demand, favourable mortgage lending conditions and government support. Total completions were up 33% to 5,733 homes (2018: 4,295 homes).

Customers are central to our success and a key priority for the business has been the improvement in customer satisfaction scores. I am pleased to report that we achieved the equivalent of a five-star Home Builders Federation ("HBF") customer satisfaction rating up from a four-star rating in 2018.

We maintain a strong focus on people, recruiting talented individuals at all levels. Our focus on continued professional development brings benefits to our employees and to the Group. In 2019 we employed over 1,800 employees on average, including 94 apprentices and 27 graduates, as we endeavour to encourage young people into the construction industry as a career of choice.

Our sustainability
Although we continue to grow at a sector-leading pace we are pleased to report that we continue to uphold our good record in sustainability, with improvements made in key areas. In 2019 we completed 80% of our corporate sustainability objectives and aim to build on that performance by targeting further areas for improvement.

Climate change has become a key focus globally in 2019. Countryside clearly recognises the risks caused by climate change, both to the planet and to our lifestyles and existence. The investor community also recognises the need for companies to raise their ambition and set a clear pathway to net-zero emissions and is looking to work with and invest in companies that possess strong environmental and ethical credentials.

The Group have been committed to continual improvement in the management of environmental risk and have put in place systems and monitoring to ensure we identify and reduce our effect on the environment, engage with our supply chain to support these aims and work in a socially responsible and ethical manner in carrying out our business.

We aim to build on this approach in 2020 by committing to meet the requirements of the Task Force on Climate-related Financial Disclosures ("TCFD") by 2022. This, in partnership with our commitment to uphold, monitor and report against the United Nations Sustainable Development Goals ("UNSDGs") will provide us with clear frameworks to set corporate strategy, manage climate change risk and monitor and report performance in a more focused manner and will help drive improvement.

We also publicly reported our approach to climate change and forestry via the Carbon Disclosure Project ("CDP") benchmarking schemes receiving a C rating for both schemes. Our Supplier Engagement Rating ("SER") from the CDP was B-. This is the first year SER has been rated. We anticipate improving these ratings in 2020 as we undertake to meet the requirements of the TCFD.

I am pleased to report that the Group has been included on the FTSE4Good index for the second year. The FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong environmental, social and governance ("ESG") practices. Our performance of companies demonstrating strong environmental, social and governance ("ESG") practices. Our performance has confirmed no further legal action will be taken.

In 2019 we introduced mental health first aiders into the Group as part of our focus on mental health and wellbeing and plan to further expand this programme in 2020. Our aim is to have a mental health first aider present in every office and on every site.

We remain committed to strong governance systems which are critical to achieve our strategic objectives and reduce and manage risk. In 2019 we maintained our certification to the ISO 14001:2015 Environmental Management Systems Standard and the ISO 9001:2015 Quality Management Systems Standard. We also achieved certification to the new ISO 45001:2018 Health and Safety Management Systems Standard during the year.

2019 was our first full year of monitoring and recording social value. Following a review we have identified areas of strength and areas of improvement to take forward into 2020 to ensure we capture the benefits we bring to the communities we operate in and are able to report these benefits fully.

Iain McPherson
Group Chief Executive
6 March 2020
Our material issues

We recognise that our operations have an effect on our stakeholder groups, and also globally in relation to our impact on the environment. So we can manage these impacts, it is critical that we identify issues of material importance, both internally and to those affected by our works.

We have undertaken our annual review to identify material issues of importance to the Company and our stakeholders and updated our Materiality Matrix to reflect those issues.

This forms part of our risk assessment process and is linked to those risks and opportunities identified through regular review during the year undertaken by the Risk Management Committee, Health, Safety and Environment Departments and through engagement with our stakeholder groups. This engagement includes, but is not limited to:

- Investor reports and committees;
- Customer feedback and surveys;
- Client meetings;
- Planning committees and liaison with local government;
- Community consultations and resident liaison officers;
- Staff surveys and personal development reviews;
- Employee engagement groups;
- Membership and participation in non-government organisations (“NGOs”) and associated forums;
- Review of legislation and our environmental aspects and impacts;
- Health and safety forums for suppliers and employees; and
- Liaison with our supply chain.

In 2019, the outcomes of our risk assessment process identified several areas of importance as detailed in our Materiality Matrix. Five key areas of focus were identified and these form part of our business sustainability strategy:

- Governance
- Ethical and responsible business
- Customers and Community
- Environment
- Supply Chain

Our five key areas of focus and their constituent elements are as follows.

**GOVERNANCE**
- Management of sustainability
- Sustainability benchmarking
- Management systems
- Legal compliance
- Risk management

**ETHICAL AND RESPONSIBLE BUSINESS**
- Our people
- Training and development
- Health and safety

**CUSTOMERS AND COMMUNITY**
- Our customers
- Affordable housing
- Community
- Social value

**ENVIRONMENT**
- Climate change
- Waste and resource use
- Energy, water and transport
- Sustainable design
- Ecology

**SUPPLY CHAIN**
- Managing our supply chain
- Supply chain standards
- Modern slavery
Our stakeholder groups

Customers
Engagement with our customers and understanding their requirements is key to the continuing success of our business. It is important that we recognise their needs and concerns and manage expectations in a manner to make the customer journey as stress free and enjoyable as possible.

Community
We aim to bring positive outcomes to the local communities in which we build, enhancing local services, employment and the overall local economy whilst managing our construction activities in a manner that does not cause nuisance to those residents and businesses near to our sites.

Clients
We partner with various clients including local authorities and other social housing providers. It is vital that we provide quality products for their customers and comply with their requirements, working together to provide sustainable housing solutions.

Investors
Investors require financial returns on investments and that the Group identifies, manages and reduces risk and enhances opportunities for growth and improvement whilst operating in a safe and ethical manner.

Staff
We look to attract and retain a talented workforce who add value to our business and support our values. Regular engagement is key to understanding their requirements and ensuring we offer rewarding employment with the chance to progress within their chosen career path.

Supply chain
Engaging with and employing suppliers and contractors which wish to operate in a safe and ethical manner that supports our own values is of high importance to ensure we deliver the products our customers expect.

National and local government
Housing supply is a key issue causing much interest and debate at national and local government level. The Group works to support the drive towards growth in all tenures of housing and assist in achieving local authority housing plans.

Non-government organisations (“NGOs”)
The Group engages with NGOs on a variety of issues throughout planning, design and construction.
## Defining our sustainability plan

**How our material issues relate to our business model:**

**Our business model**

<table>
<thead>
<tr>
<th>LAND</th>
<th>Key sustainability objectives</th>
<th>Material issues addressed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excellent visibility of future growth with embedded value from strategic land and long-term development agreements.</td>
<td>5,733 homes completed</td>
<td>• Role of the Board</td>
</tr>
<tr>
<td>13% increase in land bank plots</td>
<td>13% increase in land bank plots</td>
<td>• Management systems and legal compliance</td>
</tr>
<tr>
<td>PEOPLES</td>
<td>Ethical and responsible business</td>
<td>Communication of sustainability issues</td>
</tr>
<tr>
<td>Highly experienced and motivated employees together with strong supply chain relationships.</td>
<td>94 apprentices employed in the Group</td>
<td>• Risk management</td>
</tr>
<tr>
<td>16 years running AIB below industry benchmark</td>
<td>62% affordable and FR5 homes</td>
<td></td>
</tr>
<tr>
<td>PARTNERSHIPS</td>
<td>CUSTOMERS AND COMMUNITY</td>
<td>Training and development</td>
</tr>
<tr>
<td>Enduring relationships with local authorities, housing associations and land owners.</td>
<td>8 years of partnership plots in the pipeline</td>
<td>• Our people</td>
</tr>
<tr>
<td>62% affordable and FR5 homes</td>
<td>2nd year inclusion on FTSE4Good</td>
<td>• Health and safety</td>
</tr>
<tr>
<td>REPUTATION</td>
<td>ENVIRONMENT</td>
<td>Community</td>
</tr>
<tr>
<td>Built on transparency, proven development expertise and delivery through the cycle.</td>
<td>92.5% of our customers would recommend us to a friend</td>
<td>• Affordable housing</td>
</tr>
<tr>
<td>2nd year inclusion on FTSE4Good</td>
<td>2nd year inclusion on FTSE4Good</td>
<td>• Social value</td>
</tr>
<tr>
<td>FINANCIAL STRENGTH</td>
<td>SUPPLY CHAIN</td>
<td>Climate change</td>
</tr>
<tr>
<td>Strong balance sheet with low obligations and debt capacity if required.</td>
<td>£73.4m net cash</td>
<td>• Flood risk</td>
</tr>
<tr>
<td>37.8% return on capital employed</td>
<td>£73.4m net cash</td>
<td>• Transport</td>
</tr>
</tbody>
</table>

### Key sustainability objectives

- **GOVERNANCE**
  - Read more on page 9
- **ETHICAL AND RESPONSIBLE BUSINESS**
  - Read more on page 12
- **CUSTOMERS AND COMMUNITY**
  - Read more on page 16
- **ENVIRONMENT**
  - Read more on page 19
- **SUPPLY CHAIN**
  - Read more on page 24

### Material issues addressed

- **GOVERNANCE**
  - Communication of sustainability issues
  - Risk management

- **ETHICAL AND RESPONSIBLE BUSINESS**
  - Training and development

- **CUSTOMERS AND COMMUNITY**
  - Community
  - Social value

- **ENVIRONMENT**
  - Flood risk
  - Transport
  - Design and placemaking
  - Ecology

- **SUPPLY CHAIN**
  - Supply chain standards
  - Modern slavery
GOVERNANCE

To apply sound social, environmental quality management systems across the Group’s operations.
Our sustainability strategy focuses on the five areas material to our business: Governance, Ethical and Responsible Business, Customers and Community, Environment and Supply Chain.

Management of sustainability

We have policies in place setting out our commitments in these key areas. These are implemented throughout the business and supply chain to ensure all are aware of their responsibilities to uphold these commitments and assist in achieving our key corporate objectives, detailed on page 26.

Strong and structured governance is key to achieving our objectives as is the support and participation of our staff, and our supply chain.

Our Health, Safety, Environment and Quality Committee meets quarterly. It comprises the Group Chief Executive, Chief Executive Officers from all divisions, the Group Sustainability Manager and Group Health and Safety Directors. Chaired by the Group Chief Executive, these meetings review sustainability, compliance and performance and agree improvement measures. To support these aims, in 2019 we introduced a Social Value and Sustainability Committee.

Our focus and business improvement groups extend across every stage of our operations. From land and planning through to customer service throughout the customer journey to post completion and aftercare. These initiatives support our commitment to continually improving all aspects of our operations.

Sustainability benchmarking

We continue to disclose our performance through public reporting benchmarking initiatives. For a second year, we have been a constituent of the FTSE4Good Index series. In 2019, we continued our participation in the Carbon Disclosure Project (“CDP”) benchmarking schemes for climate change and forestry. We have received a “C” rating for Climate Change (2018: C), a “C” rating for Forestry (2018: B+) and in the first year of reporting, a B- rating for supplier engagement.

2019 marked our 19th year of sustainability reporting – the longest in our sector. Since 2000 we have received 381 awards for our sustainability and design practices, demonstrating our commitment to sustainable development.

Management systems

We recognise that robust management systems are essential to ensuring compliance with legislation and other requirements. They support our business strategy and policies, bring conformity across the Group and help to achieve our continual improvement aims.

We maintain our compliance to best practice management and governance through our international standard accreditations to:

- ISO 14001:2015 Environmental Management
- ISO 45001:2018 Health and Safety Management (previously OHSAS 18001)
- ISO 9001:2015 Quality Management

All three standards are certified by UKAS accredited certification bodies. We are audited by these bodies each year and maintain a robust internal audit programme for all three standards at site and Group support function levels.

During 2019, we amalgamated the former Westleigh regions into the Group’s ISO 45001 accreditation. In 2020, we will bring further uniformity and consistency across the Group by extending our ISO 9001 and ISO 14001 accreditations to these regions and our factories.
Governance continued

We monitor our progress against corporate sustainability objectives twice annually through environmental representatives in all areas of the business.

Policies
Our policies set out our commitment to strong social, ethical and environmental behaviours. These include the following: Environment, Climate Change, Health and Safety, Quality, Social Value, Waste, Sustainable Procurement, Anti-Bribery and Corruption, Modern Slavery and Human Trafficking and Equality, Diversity and Inclusion. We communicate all our policies on our corporate website, www.countrysideproperties.com.

Legal compliance
We are pleased to report that we continue to uphold our good record in environmental compliance. Sadly though, in 2019 a fatality occurred on one of our sites. We co-operated fully with the relevant authorities and the coroner found it was an accidental death. The Health and Safety Executive has confirmed no enforcement action is to be taken.

Risk management
Countryside’s Board has overall responsibility for risk management, assisted by the Risk Management Committee (“RMC”). Our Health, Safety, Environment and Quality Committee manages the more detailed day-to-day aspects. We also maintain an Environmental Aspects, Impacts and Legislation Register at Group level, used by the different divisions to inform and manage environmental risks and opportunities. The Group Chief Executive, assisted by the Health and Safety and Quality and Environment Departments, has responsibility for ensuring that Health, Safety, Environment and Quality Management Systems are in place and adhered to throughout the Company.

Our Risk Management Committee meets quarterly to review and identify corporate risk and opportunities.

Risks and opportunities are also identified and discussed at Health and Safety Forums, Divisional Board meetings and site meetings.

Awareness and communication of sustainability issues
We monitor our progress against corporate sustainability objectives at least twice annually through environmental representatives across all areas of the business and via our Health, Safety, Environment and Quality Committee, Social Value and Sustainability Committee and Divisional Boards. This ensures that systems are in place to enable their achievement.

We provide our people with information and guidance on our policies, processes, procedures and their responsibilities through monthly staff presentations, new starter inductions, training courses, toolbox talks, and through our intranet. We make sub-contractors and suppliers aware of our policies and processes via the Company website, pre-start meetings, inductions and toolbox talks. Online Environmental Awareness Training is mandatory for all new starters and will be compulsory for all existing staff in 2020.

Cost and benefits of being a sustainable business
The Company achieved sustainability-related cost savings of £5.54m (2018: £4.66m) over the reporting period. A substantial amount of this saving was due to the reduction of direct waste, both within the Company and working with our wider supply chain. In 2019, we achieved 80% (2018: 78%) of our sustainability objectives during a further year of significant growth.

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ETHICAL AND RESPONSIBLE BUSINESS

To strive for continuous health and safety improvement and promote social and ethical “best practice”.


**Ethical and responsible business**

Countryside looks to attract and retain talented staff that support our values and promote a culture of professionalism, teamwork, enjoyment and continuous professional development.

Our policies and procedures ensure we and our supply chain comply with UK law and best practice guidelines in areas including business conduct, equal opportunities, anti-corruption, whistleblowing, countering modern slavery and human trafficking.

These policies and further information on our approach to modern slavery can be found at https://www.countrysideproperties.com/sustainability/governance/policies.


**Our people**

Our people strategy is straightforward: to enable the Group’s growth through recruiting, developing and retaining talent.

People remain our key differentiator, and we continue to attract and retain the best talent in the Housebuilding sector. Without our dedicated employees, we would not be able to deliver our strategic promise to build sustainable communities where people want to live.

In the last four years, we have more than trebled our employee numbers. In 2019, we continued to grow organically to 1,851 employees as an average full-time equivalent ("FTE") (2018: 1,753). As a result of our growth, our staff turnover rate increased to 20% (2018: 16%). Our aim is to “grow our own” as far as possible, together with a healthy balance of new recruits. A third of our new recruits join us through our employee referral scheme.

In return for our employees commitment, we aim to be an employer people want to work for, providing a safe and supportive workplace, training and career development, and fair remuneration.

### Ratio of female: male employees

At 30 September 2019

<table>
<thead>
<tr>
<th>Total employees</th>
<th>1,273: 70%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior management</td>
<td>406: 83%</td>
</tr>
<tr>
<td>Board</td>
<td>5: 71%</td>
</tr>
</tbody>
</table>

#### Inclusion and diversity

Countryside is committed to increasing diversity by providing an inclusive working environment where everyone feels valued and respected. In 2019, our percentage ratio of female to male stood at 30:70 (2018: 28:72). At management level, we have a female to male ratio percentage of 17.83 which represents an increase in the proportion of women compared with 2018. At Board level, the female to male percentage ratio is 29:71.

While there is a gender pay gap driven by more males at management and board level, it is closing. In 2019, our mean gender pay gap improved to 28% from 33% in 2018.

**CASE STUDY**

**Armed Forces scheme**

The Armed Forces Covenant is a promise by the nation that those who serve or who have served in the Armed Forces, and their families, are treated fairly. On Armistice Day, Countryside signed the Covenant with the Royal School of Military Engineering ("RSME") to double the number of employees with military connections within the next five years across the Company’s Construction, Health and Safety, and Materials and Logistics divisions.

As a result, the Company has been recognised with the Bronze award in the Defence Employer Recognition Scheme.

The partnership meets a Countryside long-term goal to become the employer of choice within the property and housebuilding industry for those with Armed Forces connections. We will also arrange site visits for RSME students as part of their training programmes, as well as sponsoring the Royal Engineers Association Football Club and the annual Royal Engineers Excellence Awards.

Countryside currently has 31 employees who are either reservists or Armed Forces Veterans. A number of other Company team members have connections to the Armed Forces.
**Employee engagement**

We use a variety of communication tools to address the needs of our staff, celebrating successes but also responding to concerns. In 2019, our Employee Engagement Committee activities continued across the Group, with regular divisional meetings taking place to represent the views of different departments.

A representative from each division also attends a quarterly Group employee engagement workshop at our London office. Attended by our Group Chief Executive, these workshops are an opportunity to share progress made within each division, with collaborative knowledge-sharing and strategic planning on how to achieve continual progress.

**Training and development**

Developing our people to facilitate growth and building a pipeline of talent are critical to our success, and we continue to develop our Group-wide approach to succession and talent management as part of our “grow our own” people strategy. In 2019, we delivered four levels of leadership development programmes to embed leadership best practices and new thinking at all levels. Each region operates a training matrix to assess and monitor people development requirements. In 2019, we delivered a total of 160 training courses. Our second cohort of new directors completed a ten-month senior leadership development programme, and our third cohort is about to start their programme.

**Graduate and apprenticeship schemes**

We continue to prioritise developing future talent. In 2019, graduate recruitment website, The Job Crowd, ranked our two-year graduate programme as the best across the housebuilding sector; and 32nd overall (2018: 43rd) in the Top 100 graduate employers. Our graduate and apprentice programme has been extremely successful, and we continue to attract large numbers of high-calibre candidates. We have 94 apprentices throughout the Group, 27 graduates on our current programme, and a large new intake for 2020. This is nearly double the number of apprenticeship programmes in 2018. It reinforces our commitment to encourage young people to start a career within the construction industry and tackle the skills shortage within the sector.

**CASE STUDY**

**Ben Ashcroft – Apprentice**

Ben Ashcroft – trainee case study at timber frame factory

Countryside works closely with local authorities, investing in training and employment for the communities surrounding the Company’s developments. In 2019, following the launch of our modular panel factory in North Leigh Park, Warrington, we made a commitment to invest in training for local people. This includes working in close partnership with Wigan Council to provide local training and employment opportunities at the factory.

Two young people have so far joined the training programme. Countryside currently employs 12 apprentices across the North West, seven of whom are from Wigan and work across the Wigan-based developments, as well as the modular panel factory.

Ben Ashcroft, a Wigan resident, has been an apprentice on the North Leigh programme since March 2019, and comments: “My apprenticeship means I can learn as I work, and it also gives me the chance to learn from those around me. There was so much about housebuilding that I didn’t know before starting with Countryside and I’m finding it very rewarding.”
**Health and safety**

Countryside recognises the critical value and importance of promoting and delivering high standards in all health, safety and welfare matters - both for the benefit of wider society and those directly affected by our operations.

We have stringent systems in place to manage our health and safety risks, and continually review and improve our processes. In 2019, our Annual Injury Incident Rate ("AIIR") remained below both the industry average and Health and Safety Executive's National Incident Rate ("NIR") for the 16th consecutive year. Our AIIR averaged 227 (2018: 188) compared with the NIR of 405 (2018: 446). While we are disappointed that our AIIR was higher in 2019 than 2018, our average over a five-year period remains stable and well below the NIR.

We are also pleased to report that we continue to uphold our good compliance record, with no Health, Safety and Environmental ("HSE") Enforcement Notices in more than 11 years.

Consistent with our continuous improvement approach, the Group attained certification to the new ISO 45001:2018 international standard in 2019. This replaces the BS OHSAS (British Standard for Occupational Health and Safety Assessment Series) 18001, and provides a uniform framework for health and safety management and continual improvement within the business.

**Training and initiatives**

We continue to focus on making our sites a safe environment for employees, contractors and visitors, and have taken a series of actions to further improve our management of health and safety risk. Measures include:

- Introducing a new accident and near-miss reporting system to identify and address any trending issues more quickly
- Adopting our Health & Safety Executive’s Stop, Look, Assess, Manage ("SLAM") initiative, to raise worker awareness of potential hazards
- Rolling out a new safety observation reporting system to encourage greater workforce engagement in the active and early identification of health and safety issues

In 2019, 942 employees received training on health and safety standards. We deliver all our training courses at cost to incentivise supply chain participation, assist partners in developing their staff, and maintain our accreditations to international standards.

**Occupational health**

In 2019, we continued our focus on occupational health, with quarterly on-site workshops on issues such as dust and vibration, and at Group level with the introduction of mental health first aiders.

**CASE STUDY**

**Mental Health First Aiders**

In 2019, we trained 33 staff members as Mental Health First Aiders. Training was delivered through the internationally recognised Mental Health First Aid education and training programme. We plan to expand this further in 2020 and train an additional 150 employees to carry out this role, with the aim of having at least one mental health first aider on each site and in each regional office.

We will also facilitate ‘Time to Talk’ sessions for anyone wishing to talk about their own, or a colleague’s mental wellbeing.
CUSTOMERS AND COMMUNITY

To promote and build sustainable communities.
Customers and community

We are committed to creating “Places People Love” not just for our customers but for those residents and businesses in the local area.

Our customers

Moving into a new home in a new community should always be an exciting and enjoyable experience, and we are pleased to report that Our Recommend a Friend score during 2019 was 92.5%.

Our build quality score, measured independently by the National House-Building Council ("NHBC") at key stages during the construction process stood at 0.21 reportable items (2018: 0.22) per inspection within the year. We continue to review our customers’ journey, focusing on service standards and customer engagement during the purchase process and dealing quickly with any quality issues.

CASE STUDY

New build and new baby for first-time buyers

First-time buyers Michaela and Daniel have had a year of celebration following the purchase of their first home with Countryside in St Helens and welcoming their first child.

“We wanted to find a home for our family that was in a nice area with good schools,” says Michaela. “As I was expecting Eliska, we needed somewhere that was ready to move into straight away and didn’t need any extra money being spent on it. When we saw the New Stamford home, it had everything we wanted. It is really bright, and spacious, easy to move around and is just what we need.”

After previously renting, they began to save for their new home with help from the government-backed Help to Buy: ISA (individual savings account) scheme. It allows an individual to save up to £200 each month and the government will boost those savings by 25% when they come to buy their first home. It has helped many first-time buyers get onto the property ladder and buy their first homes.

Michaela and Daniel welcomed their baby daughter, Eliska, in May 2019, just three months after moving into their new Countryside home.

Affordable housing

The availability of affordable housing is a material issue for our customers and the local community.

We partner with local authorities and independent housing associations to deliver quality affordable homes, and work closely with them to identify and meet their requirements, and those of their tenants. In 2019, we completed 5,733 homes of which 38% (2018: 35%) were affordable homes and 24% (2018: 19%) private rental sector for our partners.

It is government policy to encourage additional housing via initiatives such as the Help to Buy programme. In 2019, our customers used the Help to Buy Scheme on 50% of our private completions across the Group.

Community

We are committed to creating “Places People Love”, not just for our customers, but for residents and businesses in the local area.

We always aim to have a positive effect on the communities in and close to where we build. Local communities have a right to enjoy their homes and environment without nuisance caused by our operations, and we appreciate that existing and future residents may have concerns about potential impacts during the construction of our developments. We therefore put stringent procedures in place at every site to reduce noise, dust and nuisance caused by additional traffic during construction.

When planning a new development, we engage with the local community through presentations, meetings and requests for input and feedback. We will also carry out impact assessments to identify risks to health, wellbeing and the environment, including any ecological risks.

During the construction process, we also engage with the local community through newsletters, noticeboards, and on large regeneration projects the presence of a Resident Liaison Officer.

CASE STUDY

Community supermarket helps Barking and Dagenham residents save £11,500 in grocery bills

Countryside helped to kickstart a community supermarket set up in Barking and Dagenham to support local residents, offering discounted produce and educational activities. The positive results included supporting households in need of financial help, preventing food waste and reducing social isolation.

Within one year of its opening, 167 residents have joined the food club, with 697 visits to the supermarket saving a staggering £11,500 in grocery bills.

Pamela Young, Relationship Manager, Community Solutions, London Borough of Barking and Dagenham commented: “We are so proud of the William Bellamy Children’s Centre and the support we can give local people. The support from Countryside is a big part of this journey.”

Two more Community Food Clubs are due to open in the Barking and Dagenham borough, helping more families learn the benefits of healthy eating, manage their finances and address social isolation.
Customers and community continued

Social value
During 2019, we have been on a journey to embed social value into the business, building on our existing actions and making them deeper and more performance led. We aim to make a real difference to people’s lives by enhancing the social, environmental and economic wellbeing of those communities in which we operate, both during and post construction. By actively monitoring the social value we add, we aim to leave a positive legacy, ensuring we deliver benefits for both new and existing communities while creating more resilient and sustainable places.

To achieve this goal, we have partnered with the Social Value Portal to help us measure, manage and report our financial and non-financial impacts through their online data collection platform. 2019 was the first year of our social value journey, where we will measure the activities of our employees and suppliers, how we share best practice, our year-on-year improvement – and, crucially, recognising where we should be doing better.

Key steps we have taken this year are to establish:

- A Group-wide Social Value Policy;
- The appointment of a Social Value Manager, responsible for delivering social value policy and establishing effective management systems to maximise the benefits of the project across the Group;
- A Social Value and Sustainability Committee which meets monthly with representatives from across the Group. It sets strategy and communicates the purpose of social value benefits to our workforce, supply chain and communities;
- A Social Value Measurement Framework, based on national guidelines and representing practical social value outcomes;
- A communication structure, including social value master classes for employees, training workshops, and bi-monthly “user groups” which act as a support network for the appointed social value administrators; and
- Workshops with our top 20 suppliers to share our social value strategy, as we can only maximise our impact with the support of our supply chain.

We have now completed the first year of our social value initiative. The journey has been both challenging and rewarding. We have now assessed more than 130 projects through the portal in terms of the social and local economic value we have delivered nationally. In 2020 we aim to:

- Review and embed social value measuring policies across the Group and deliver auditable data;
- Engage suppliers more effectively in helping us deliver more value, such as local supply chain spend and local labour; and
- Create Group strategies and partnerships to deliver against key aims.

Volunteering
Following the success of “60 years of Countryside, 60 days of volunteering” in 2018, we have carried on with a programme of volunteering activities for our staff to participate in.

A new Volunteer Policy was introduced in 2019 which encourages staff to participate in activities to support local community groups who often rely on volunteers to achieve their objectives. All staff are permitted to use one work day to carry out these activities.

We do not, nor intend to, make financial or in-kind payments, which totalled £29.4m during the year.

In 2019, the Company continued to support a number of local and national charities, with donations totalling £1m (2018: £163,414). These figures do not include support provided by S106 (planning agreement) payments, which totalled £29.4m during the year.

In September 2003 to improve sporting opportunities for young people and meet new targets for the School Games programme. It continues to work with all 61 schools in the area, including eight secondary state schools, two special schools and 50 primary schools.

The Chelmsford School Sport Partnership was launched in 2003 to improve sporting opportunities for young people and meet new targets for the School Games programme. It continues to work with all 61 schools in the area, including eight secondary state schools, two special schools and 50 primary schools.
ENVIRONMENT

To strive for continual environmental performance improvement, thereby reducing the Group’s environmental impacts.
Environment

Our environmental sustainability approach is driven by our values, compliance requirements and stakeholder needs. It applies to all aspects of our business. We set key objectives and measure our performance to ensure continual improvement.

Climate change

The threat of climate change has become more prevalent in the consciousness of the public and has moved up the agenda not just of national government but also local government and the investor community. The systems we have to identify and manage climate change risk are constantly evolving in line with the needs of these and other stakeholders. In 2020 we will be putting in systems to improve our identification of climate change risk, the implications it has for the Group and for our stakeholders and the actions we must take to mitigate this risk and any adverse effect it may cause. We will be putting in systems to ensure we fully meet the guidance of the Task Force on Climate-related Financial Disclosures (“TCFD”) by 2022. The TCFD guidelines promote robust climate change risk identification, management and disclosure.

Waste

Waste is a key issue for the Company, both from its adverse environmental effects and its cost to the business. In 2019, we improved our waste management monitoring and reporting through the Building Research Establishment (“BRE”) Smartwaste reporting tool.

This has enabled us to better identify areas of concern both on site and with our supply chain and use those findings to improve our management and disposal of waste.

Our quarterly waste forum reviews performance and identifies areas for improvement and necessary actions. It is also a platform for divisions to share best practice and ideas across the Group.

In 2019 we produced 41,728 tonnes of construction waste (2018: 30,724 tonnes) of which 18 tonnes was hazardous waste (2018: 11 tonnes). This increase is due to the growth of the Company including additional sites and plot completions. However, this equates to 6.9 tonnes per 100m² of developed area (2018: 7.7 tonnes/100m²), a reduction of 10% on the previous year. Disappointingly 97.5% of our waste was diverted from landfill compared to 99.4% in the previous year. In 2020 we will be reviewing our selection and use of waste carriers to ensure we are working with companies that can support our long-term objective of zero waste to landfill.

Resource use

In 2020, we will work more closely with our supply chain and contractors to improve waste management and reduction. Engaging with our supply chain is essential for us to work towards a more circular economy and will enable us to:

- Minimise resource use;
- Identify technologies that enable us to source more sustainable materials, reduce resource use and any resulting waste;
- Reduce vehicle movements to and from site; and
- Reduce our production of waste and increase the reuse and recycling of materials.

In 2019, we opened a modular timber panel factory in Warrington to service our northern and West Midlands regions with a total capacity of 1,500 units per annum, helping to secure our supply chain for the longer term. This will assist to control resource use and reduce waste on site. We plan to open a second factory in 2020 to assist with demand for our products.

Energy

Energy-efficient homes

As part of our sustainable development commitment, we aim to build energy-efficient homes which reduce our customers’ environmental footprint and bring them cost savings on their energy bills.

We use the Standard Assessment Procedure (“SAP”) to measure efficiency. In 2019 our average rating was 84.60/100 (2018: 92.27/100). This reduction is due to the take up of newer, more energy-efficient office space, and we have replaced the old inefficient gas heating systems in one of our offices. In 2020, we will refurbish our Brentwood head office and upgrade our heating and cooling to more energy-efficient systems.

For the fourth year, we have collated our energy usage and greenhouse gas (“GHG”) emissions for all our Scope 1 (emissions from direct activities) and Scope 2 (indirect emissions from the power we purchase) impacts. Our objective is to reduce our footprint year on year. Our energy data for sites and offices can be found on page 22.

Site energy

Our site compounds are fitted with passive infrared sensor (“PIR”) lighting. Where installed, our standby generators switch to a more energy-efficient mode during site closure hours. This enables us to reduce the carbon footprint of our construction activities.

We monitor our site energy use, and in 2020 we will be investigating how we may reduce site Scope 1 emissions (those directly under our control) from the use of generators.

Office energy

We strictly monitor the energy use within our office premises. The expansion of the business has led to the take up of newer, more energy-efficient office space, and we have replaced the old inefficient gas heating systems in one of our offices. In 2020, we will refurbish our Brentwood head office and upgrade our heating and cooling to more energy-efficient systems.

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Environment continued

Water
We use water in our welfare facilities, for dust suppression, cleaning and wheel wash systems, and we are committed to reducing the amount of water we use in our operations. We do this by monitoring both our consumption (“water in”) and the amount of water we dispose of (“water out”).

For the first time in 2019, we have recorded the water usage at our factories. Our site water use decreased for the third year in a row to 22,816m³ (2018: 33,414m³). This is a reduction of the normalised water consumption to 0.04m³ per m² (2018: 0.08m³ per m²). Our office water decreased to 9,361m³ (2018: 10,387m³), or 0.05m³ per employee (2018: 0.08m³ per employee). This is a decrease of 14% per employee in a drive towards more water-efficient offices.

We undertake regular site inspections to prevent wastage through taps being left running, defective equipment, fittings or leaks. We install low-flow fittings within our properties, and our show homes have details of water-saving actions that customers can take when they occupy our properties.

Flood risk
We conduct flood risk assessments for all potential land purchases and development opportunities – and we never develop on land at risk of flood which could cause disruption and damage to our customers and the local community. Where necessary, we install Sustainable Drainage Schemes (“SUDS”) on our developments. In 2019, we installed SUDS on 75% (2018: 89%) of our sites.

Transport
When planning our developments, we aim to provide our customers with the choice of more sustainable forms of transport than private vehicles. In 2019, we installed secure cycle storage facilities within 66% (2018: 80%) of our developments. We have introduced electric charging points, car clubs, green transport plans and rewards for our employees selecting low emission vehicles. In 2019 we introduced the option of hybrid transport and rewards for our employees selecting low emission vehicles. We intend that this – coupled with improved teleconferencing facilities, cycle to work schemes and promotion of public transport use – will reduce our travel emissions further.

Design and placemaking
Countryside has been a leader in placemaking, design and sustainable development for over a decade. We have received 381 awards for our design and sustainability practices since 2000.

As part of our sustainability commitment, we aim to deliver well-designed homes for the long term. In 2018 we acquired Westleigh Homes, which now forms our Partnerships East Midlands region. This acquisition formed part of our growth strategy to enable us to deliver a larger number of homes and expand our geographical coverage within the United Kingdom. However, it brought many historical sites into the Group which has negatively impacted our design key performance indicators. We show this impact compared to 2018 below:

- 30% (2018: 38%) of our developments contain homes that meet the Lifetime Homes Standard – a set of 16 design criteria that provide a model for building accessible and adaptable homes.
- 33% (2018: 57%) of our developments contain homes that have achieved Secured by Design verification – a police initiative that improves the security of buildings and their immediate surroundings.
- 25% (2018: 30%) of our developments deploy renewables technologies such as micro PV or CHP District Heat Networks.

During 2020, it is anticipated that these impacts will be reduced as historical sites are completed and new sites in the region are built to Group design standards.

Ecology
We are committed to preserving and enhancing existing ecological networks, so we can be more resilient to current and future climate change pressures. During 2019, 67% of our projects were on brownfield land, which is land previously used for residential or commercial use. As part of an evaluation process to identify ecological features and risks on potential Countryside developments, ecologists undertook full surveys on 100% (2018: 95%) of our projects. As part of the ecological enhancements to our schemes, during 2019 we planted 6,126 new trees and 319,021 (2018: 220,646) plants and shrubs to create new landscaped spaces or to complement existing habitats and natural assets. For the first time we have also recorded the number of trees saved and those removed with a net benefit of 265 trees saved versus removed. In addition, we installed green or brown roofs on 13% (2018: 23%) of our developments. We also installed 226 bird boxes and 94 bat boxes.

In 2020 we plan to record our biodiversity net gain for all our sites and report this annually.

Countryside is committed to creating “Places People Love”. We achieve part of this by creating new communities. As of 2019, 88% (2018: 90%) of our schemes contain public green space, heritage features and/or community facilities for residents and visitors. This encourages the use of outside space and associated activities, brings people together, and helps improve the health and wellbeing of our customers and those in the surrounding community.

CASE STUDY
Conservation and development in partnership
In spring 2019, we were approached by NatureSpace Partnership, which has designed a District Licensing Scheme for the great crested newt – a protected species under European and UK law. Our Millgate Homes Parklands Manor development in Oxfordshire received a visit from the BBC Countryfile Spring Diaries team to report on a new scheme being trialled across several local authorities with the aim of protecting this endangered species. The possible presence of great crested newts had been identified in an ancient pond adjacent to the site – a former manor house and school.

Funding and pond habitats given to NatureSpace Partnership in other areas of the UK allowed us to obtain a licence which met local authority and legal requirements, and enabled mitigation for the newts both on and off site, without works being delayed. This included the installation of reptile fences on site which are monitored and maintained by specialist contractors.

Despite being a brownfield site, the development is located in a rural area near Oxford with woodlands and public footpaths adjacent to the site. We are further protecting ecology on site by installing bat boxes on mature trees and further habitats for bats and birds on site.

Absolute Scope 3 emissions from business travel increased to 1,827 tonnes CO₂e (2018: 1,656 tonnes), in line with our increase in staff numbers. However, we decreased our emissions by 22% to 0.99 tonnes CO₂e per employee (2018: 1.27).

In 2019 we introduced the option of hybrid transport and rewards for our employees selecting low emission vehicles. We intend that this – coupled with improved teleconferencing facilities, cycle to work schemes and promotion of public transport use – will reduce our travel emissions further.

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Environment continued

Scope
For the fourth year, we have collated and are reporting on our energy, water and waste performance across the business. For the first year we are reporting the environmental performance of our factories. We are reporting absolute data and intensity measured data. Intensity for energy and water figures are calculated using the formula usage/m² completed area for site activities and usage/employee for office and fleet activities. The intensity measure for waste figures is calculated using the formula tonnes of waste produced/100m² completed area for site activities and waste produced/employee for office activities. We are identifying an intensity factor for our manufacturing activities to be used in 2020, but in 2019 manufacturing data is absolute only.

Energy
Office activities

<table>
<thead>
<tr>
<th>Year</th>
<th>Gas (mWh)</th>
<th>Gas CO₂e (tonnes)</th>
<th>Total CO₂e (tonnes per employee)*</th>
<th>Electricity (mWh)</th>
<th>Electricity CO₂e (tonnes)</th>
<th>Total CO₂e (tonnes per employee)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>537</td>
<td>99</td>
<td>0.05</td>
<td>1,741</td>
<td>445</td>
<td>0.24</td>
</tr>
<tr>
<td>2018</td>
<td>1,103</td>
<td>203</td>
<td>0.12</td>
<td>1,420</td>
<td>402</td>
<td>0.23</td>
</tr>
<tr>
<td>2017</td>
<td>1,127</td>
<td>208</td>
<td>0.18</td>
<td>1,281</td>
<td>450</td>
<td>0.39</td>
</tr>
</tbody>
</table>

* Office intensity measure is based on 1,851 employees (2018: 1,753).

During the reporting period, we reduced our overall office-based CO₂e emissions by 10.1% to 544 tonnes CO₂e (2018: 605 tonnes CO₂e in 2018). The reduction in overall emissions is due to our continued drive to reduce consumption and move to more energy efficient ways of working. Our Scope 1 emissions have reduced by 53% per employee which is mainly due to the move to modern offices with heating systems powered by grid electricity instead of more conventional gas systems. As a consequence, there has been an increase in our Scope 2 emissions, which have risen by 6% per employee.

Site activities

<table>
<thead>
<tr>
<th>Year</th>
<th>Gas (mWh)</th>
<th>Gas CO₂e (tonnes)</th>
<th>Gas Oil (mWh)</th>
<th>Gas Oil CO₂e (tonnes)</th>
<th>Total (mWh)</th>
<th>Total CO₂e (tonnes per m²)*</th>
<th>Total CO₂e (tonnes)</th>
<th>Electricity (mWh)</th>
<th>Electricity CO₂e (tonnes)</th>
<th>Total CO₂e (tonnes per m²)*</th>
<th>Total CO₂e (tonnes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>4,837</td>
<td>889</td>
<td>16,582</td>
<td>4,389</td>
<td>21,419</td>
<td>5,278</td>
<td>0.009</td>
<td>4,913</td>
<td>1,331</td>
<td>0.002</td>
<td>1,331</td>
</tr>
<tr>
<td>2018</td>
<td>6,501</td>
<td>1,196</td>
<td>11,433</td>
<td>3,161</td>
<td>17,934</td>
<td>4,357</td>
<td>0.011</td>
<td>3,544</td>
<td>1,003</td>
<td>0.003</td>
<td>1,003</td>
</tr>
<tr>
<td>2017</td>
<td>4,761</td>
<td>877</td>
<td>14,933</td>
<td>4,120</td>
<td>19,694</td>
<td>4,997</td>
<td>0.009</td>
<td>5,040</td>
<td>1,772</td>
<td>0.004</td>
<td>1,772</td>
</tr>
</tbody>
</table>

* Site intensity measure kg CO₂e/m² based on developed area of 603,173m² completed build (2018: 397,702m²).

Although our absolute energy usage has increased due to the increase in build and number of sites, our usage per m² completed area has reduced for Scope 1 and Scope 2 energy. In 2020 we plan to improve our energy use further by reviewing the use of oil powered generators and equipment on site to identify ways in which we can reduce their use, and therefore our related CO₂e emissions.

Manufacturing

<table>
<thead>
<tr>
<th>Year</th>
<th>Gas (mWh)</th>
<th>Gas CO₂e (tonnes)</th>
<th>Gas Oil (mWh)</th>
<th>Gas Oil CO₂e (tonnes)</th>
<th>Total (mWh)</th>
<th>Total CO₂e (tonnes)</th>
<th>Electricity (mWh)</th>
<th>Electricity CO₂e (tonnes)</th>
<th>Total CO₂e (tonnes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>12.0</td>
<td>2.2</td>
<td>44.9</td>
<td>11.5</td>
<td>56.9</td>
<td>13.7</td>
<td>325.7</td>
<td>86.9</td>
<td></td>
</tr>
</tbody>
</table>

Scope 1: These are emissions that arise directly from sources that are owned or controlled by the Company, for example from fuels used in generators and plant on our sites. Scope 2: These are the emissions generated by purchased electricity consumed by the Company. Scope 3: These emissions are a consequence of the activities of the Company but occur from sources not owned or controlled by the organisation. This includes emissions associated with business travel.

Business travel – Scope 3

<table>
<thead>
<tr>
<th>Year</th>
<th>CO₂e (tonnes)</th>
<th>Total CO₂e (tonnes per employee)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>1,827</td>
<td>0.99</td>
</tr>
<tr>
<td>2018</td>
<td>1,656</td>
<td>1.27</td>
</tr>
<tr>
<td>2017</td>
<td>1,597</td>
<td>1.37</td>
</tr>
</tbody>
</table>

* Fleet intensity measure is based on 1,851 employees (2018: 1,307 excluding Westleigh Homes employees as their fleet data was not available).

Our overall fleet CO₂e emissions increased to 1,827 tonnes from 1,656 tonnes in 2018, in line with our increase in staff numbers. However, we decreased our emissions per person by 22% to 0.99 tonnes CO₂e per employee (2018: 1.27).

In 2019 we introduced the option of hybrid vehicles and rewards for our employees selecting low emission vehicles. We intend that this, coupled with improved teleconferencing facilities, cycle to work schemes and promotion of the use of public transport, will reduce our travel emissions further.
### Waste

#### Office activities

<table>
<thead>
<tr>
<th>Year</th>
<th>Total waste (tonnes)</th>
<th>Total waste (tonnes) per employee*</th>
<th>Recycled (tonnes)</th>
<th>% Recycled</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>179</td>
<td>0.10</td>
<td>149</td>
<td>84%</td>
</tr>
<tr>
<td>2018</td>
<td>318</td>
<td>0.24</td>
<td>265</td>
<td>83%</td>
</tr>
<tr>
<td>2017</td>
<td>387</td>
<td>0.33</td>
<td>206</td>
<td>53%</td>
</tr>
</tbody>
</table>

* Office intensity measure is based on 1,851 employees (2018: 1,753).

#### Site activities

<table>
<thead>
<tr>
<th>Year</th>
<th>Total waste (tonnes)</th>
<th>Total waste (tonnes) per 100 m² completed*</th>
<th>Recycled/ recycled/ composted (tonnes)</th>
<th>Reused/ recycled/ composted (tonnes)</th>
<th>Energy from Waste (tonnes)</th>
<th>Energy from Waste (tonnes)</th>
<th>Landfill (tonnes)</th>
<th>% Landfill</th>
<th>% Diverted from landfill</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>41,728</td>
<td>6.9</td>
<td>35,562</td>
<td>85.2%</td>
<td>5,136</td>
<td>12.3%</td>
<td>1,030</td>
<td>2.5%</td>
<td>97.5%</td>
</tr>
<tr>
<td>2018</td>
<td>30,724</td>
<td>7.9</td>
<td>5,558</td>
<td>18.1%</td>
<td>185</td>
<td>0.6%</td>
<td>336</td>
<td>1.1%</td>
<td>99.4%</td>
</tr>
<tr>
<td>2017</td>
<td>30,169</td>
<td>6.8</td>
<td>25,544</td>
<td>84.7%</td>
<td>4,289</td>
<td>14.2%</td>
<td>336</td>
<td>1.1%</td>
<td>98.9%</td>
</tr>
</tbody>
</table>

* Site intensity measure tonnes/100m² based on developed area of 603,173m² completed build (2018: 397,702m²).

#### Manufacturing

<table>
<thead>
<tr>
<th>Year</th>
<th>Total waste (tonnes)</th>
<th>Recycled (tonnes)</th>
<th>% Recycled</th>
<th>Energy from Waste (tonnes)</th>
<th>% Energy from Waste</th>
<th>Landfill (tonnes)</th>
<th>% Landfill</th>
<th>% Diverted from landfill</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>445.9</td>
<td>354.1</td>
<td>79.4%</td>
<td>80.5</td>
<td>18.1%</td>
<td>11.3</td>
<td>2.5%</td>
<td>97.5%</td>
</tr>
</tbody>
</table>

### Water

#### Office activities

<table>
<thead>
<tr>
<th>Year</th>
<th>Water in (m³)</th>
<th>Water in (per employee)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>9,361</td>
<td>5.1</td>
</tr>
<tr>
<td>2018</td>
<td>10,387</td>
<td>5.9</td>
</tr>
<tr>
<td>2017</td>
<td>8,976</td>
<td>7.7</td>
</tr>
</tbody>
</table>

* Office intensity measure is based on 1,851 employees (2018: 1,753).

#### Site activities

<table>
<thead>
<tr>
<th>Year</th>
<th>Water in (m³)</th>
<th>Water in (per m²)*</th>
<th>Water out (m³)</th>
<th>Water out (per m²)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>22,816</td>
<td>0.04</td>
<td>14,447</td>
<td>0.02</td>
</tr>
<tr>
<td>2018</td>
<td>33,414</td>
<td>0.08</td>
<td>Not Reported</td>
<td>Not Reported</td>
</tr>
<tr>
<td>2017</td>
<td>42,653</td>
<td>0.08</td>
<td>Not Reported</td>
<td>Not Reported</td>
</tr>
</tbody>
</table>

* Site intensity measure m³/m² based on developed area of 603,173m² completed build (2018: 397,702m²).

#### Manufacturing

<table>
<thead>
<tr>
<th>Year</th>
<th>Water in (m³)</th>
<th>Water out (m³)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>1,036</td>
<td>1,036</td>
</tr>
</tbody>
</table>

84% OF OFFICE WASTE RECYCLED

14% REDUCTION IN OFFICE WATER USE PER EMPLOYEE
SUPPLY CHAIN

To partner with a supply chain which shares our values and which can support our business in a manner that is safe and efficient and reduces adverse effects on the environment, and which has high ethical standards.
Supply chain

It is important that we identify and partner with suppliers and contractors which share our values.

Managing our supply chain

Countryside chooses to work with suppliers and sub-contractors who share the same values and can support our business in a manner that is safe, efficient and reduces adverse effects on the environment. They should maintain the same high ethical standards throughout their own supply chain, including their personnel and practices.

Post Brexit, as we await the outcome of an agreement on rules and trade between the United Kingdom and European Union, there is an increased focus on the effect this may have on the supply of both competent workers and materials. We have identified these risks as part of our risk management processes. We constantly review our supply chain to identify and manage both risks and opportunities.

Supply chain standards

It is imperative for us to identify and engage suppliers and contractors who share our values and can support us in operating sustainably.

Our prequalification policies set out the commitments and values we expect from our supply chain and we actively review all potential suppliers, principal contractors and sub-contractors of both goods and services. We then include suitable vendors on our approved supplier/contractor database.

During prequalification and our tender processes, we assess the systems, performance and competencies of our supply chain in six key areas:

- Commercial
- Health and safety
- Quality management
- Environmental management
- Equal opportunities
- Ethical standards, and those of their own supply chain, including child labour standards, modern slavery, equal opportunities and fair employment terms.

These standards are detailed within our policies at www.countrysideproperties.com.

We work closely with our supply chain to share best practice, reduce our combined effect on the environment, harness our collective knowledge and strengthen the competences that extend from our partnerships. We provide sub-contractors working on our sites with training and information on safe working practices, environmental awareness and occupational health. Quality, environment and health and safety considerations all form part of our trade specifications and contracts.

In 2020, we plan to further engage with our supply chain on environmental issues such as sustainable resourcing and waste management. This supports our strategic objective to improve the procurement of ethically and sustainably sourced materials, reduce waste and promote reuse and closed-loop recycling of materials – especially single use plastics. We also plan to deliver more Health and Safety Director courses to sub-contractors, to ensure they understand their responsibilities when we employ their company and its people on our sites.

Modern slavery

We have a zero-tolerance approach to modern slavery and the use of child labour within our organisation and supply chain. Neither are tolerated, and our commitment is detailed in full in our Modern Slavery Statement and Business Ethics and Code of Conduct Policy. Both are available at www.countrysideproperties.com.

Our supply chain comprises hundreds of third-party suppliers, contractors and sub-contractors, on whom we rely to execute our projects through the supply of goods and services. These suppliers vary in size, from large corporations to individual tradesmen. The supply chain is predominantly UK-based, with some material suppliers based in Europe.

Many of Countryside’s suppliers, contractors and sub-contractors are smaller businesses, and not required by law to make formal declarations relating to the Modern Slavery Act. We recognise that these suppliers and sub-contractors, along with their own downstream supply chain (including those outside UK borders), present the most risk to our business in relation to the Act. To address this, our Group Buying Department manages a database of all suppliers and sub-contractors, and conducts due diligence on their ethical compliance, on behalf of our business divisions.

CASE STUDY

Kenny – Working in partnership

Waste and the management of waste is a key issue for the Group, and we look to work with companies that can support our drive to better manage and reduce the waste we produce.

Kenny Waste is based in the North West and has long serviced our sites in the region. In addition to the collection and disposal of general construction waste, they also provide a unique systemised site Hazardous Waste station along with on-site training. This helps us to dispose and recover where possible all empty hazardous waste packaging and meet our Duty of Care obligations as a waste producer.

Working in partnership, they are helping us to work towards our waste objectives and improve our management, disposal and reporting of waste by supporting our use of the BRE Smartwaste system. With a strong drive on social value and their own social foundation Driving Change, which aims to help local people into real jobs, gain qualifications and skills and support local social initiatives, they support our own social value objectives.
### Sustainability performance

<table>
<thead>
<tr>
<th>2019 objectives</th>
<th>Status</th>
<th>Comments</th>
<th>2020 objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GOVERNANCE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Implement Site Environmental Awareness Training for all Site Managers. 100% of existing Partnerships East Midlands Site Managers to receive Site Environmental Training.</td>
<td>●</td>
<td>Training delivered to some Housebuilding, Partnerships South, Partnerships North and Midlands site staff. SEATS Training to be delivered to all Project Managers and Site Managers in FY2020.</td>
<td>Deliver SEATS Training to all existing Site and Project Managers and new Managers within six months of joining.</td>
</tr>
<tr>
<td>Carry out health, safety and environment inspections on all active construction sites.</td>
<td>●</td>
<td>Carried out monthly.</td>
<td>Carry out health, safety and environment inspections on all active construction sites.</td>
</tr>
<tr>
<td>Carry out quality and environment audits on all active construction sites over a two-year period.</td>
<td>●</td>
<td></td>
<td>Carry out quality and environment audits on all active construction sites and factories over a two-year period.</td>
</tr>
<tr>
<td>100% of new staff to receive training on the General Data Protection Regulations within six months of joining.</td>
<td>●</td>
<td>Retained. Achieved a higher rating in 2019.</td>
<td>100% of new staff to receive training on the General Data Protection Regulations within six months of joining.</td>
</tr>
<tr>
<td>Target continuous improvement on our FTSE4Good rating.</td>
<td>●</td>
<td></td>
<td>Target continuous improvement on our FTSE4Good rating.</td>
</tr>
<tr>
<td>Target continuous improvement on our Carbon Disclosure Project (&quot;CDP&quot;) benchmarking scheme rating.</td>
<td>●</td>
<td>Score C on Climate Change (2018: C)  Score C on Forestry (2018: B+)  Score B- on Supplier Engagement Rating (New)</td>
<td>Target continuous improvement on our Carbon Disclosure Project (&quot;CDP&quot;) benchmarking scheme rating.</td>
</tr>
<tr>
<td><strong>ETHICAL AND RESPONSIBLE BUSINESS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Target improvement in gender diversity within Countryside.</td>
<td>●</td>
<td>Female to male 30:70 (2018: 28:72)</td>
<td>Target improvement in senior management gender diversity within Countryside.</td>
</tr>
<tr>
<td>Target continuous improvement in Group health and safety accident incident rate (&quot;AIR&quot;).</td>
<td>●</td>
<td>227/405 (2018: 188/446)</td>
<td>Reduce injuries and drive a positive change in culture with our workforce.</td>
</tr>
<tr>
<td>All site staff to be trained on health and safety standards.</td>
<td>●</td>
<td>942 (2018: 1,008)</td>
<td>All site staff to be trained on health and safety standards.</td>
</tr>
<tr>
<td><strong>CUSTOMERS AND COMMUNITY</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Achieve continuous improvement in NHBC Recommend a Friend (&quot;RAF&quot;) rating and reportable items (&quot;RI&quot;) average score.</td>
<td>●</td>
<td>RAF 92.5 (2018: 84.5)  RI 0.21 (2018: 0.22)</td>
<td>Retain our Five star builder rating as measured by the NHBC Recommend a Friend score and achieve 0.22 or less in reportable items.</td>
</tr>
<tr>
<td>Implement a social value policy and strategy within the business.</td>
<td>●</td>
<td>Policy implemented. Strategy in progress.</td>
<td>Implement a Social Value Strategy within the business.</td>
</tr>
</tbody>
</table>
## Sustainability performance continued

<table>
<thead>
<tr>
<th>2019 objectives</th>
<th>Status</th>
<th>Comments</th>
<th>2020 objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ENVIRONMENT</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Achieve continuous improvement in:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction waste: tonnes/m² completed build.</td>
<td>●</td>
<td>6.9 tonnes/m² (2018: 7.7)</td>
<td>Construction waste: tonnes/m² completed build.</td>
</tr>
<tr>
<td>Construction waste diverted from landfill.</td>
<td>●</td>
<td>97.5% (2018: 99.4%)</td>
<td>Construction waste diverted from landfill.</td>
</tr>
<tr>
<td>Office waste recycled.</td>
<td>●</td>
<td>84% (2018: 83%)</td>
<td>Office waste recycled.</td>
</tr>
<tr>
<td>Achieve continuous improvement in the carbon footprint of the following areas:</td>
<td></td>
<td></td>
<td>Achieve continuous improvement in the carbon footprint of the following areas:</td>
</tr>
<tr>
<td>Site: tonnes CO₂e per m² completed area.</td>
<td>●</td>
<td>0.011 tonnes CO₂e/m² (2018: 0.014)</td>
<td>Site: tonnes CO₂e per m² completed area.</td>
</tr>
<tr>
<td>Office: tonnes CO₂e per employee.</td>
<td>●</td>
<td>0.29 tonnes CO₂e/employee (2018: 0.35)</td>
<td>Office: tonnes CO₂e per employee.</td>
</tr>
<tr>
<td>Fleet: tonnes CO₂e per employee.</td>
<td>●</td>
<td>0.99 tonnes CO₂e/employee (2018: 1.27)</td>
<td>Fleet: tonnes CO₂e per employee.</td>
</tr>
<tr>
<td>Achieve continuous improvement in water use in the following areas:</td>
<td></td>
<td></td>
<td>Achieve continuous improvement in water use in the following areas:</td>
</tr>
<tr>
<td>Site: m³ per 100m² completed area.</td>
<td>●</td>
<td>0.04 m³/m² (2018: 0.08)</td>
<td>Site: m³ per 100m² completed area.</td>
</tr>
<tr>
<td>Office: m³ per employee.</td>
<td>●</td>
<td>5.1 m³/pe (2018: 5.9)</td>
<td>Office: m³ per employee.</td>
</tr>
<tr>
<td>Ensure continuous improvement in dwelling Standard Assessment Procedure (“SAP”) rating.</td>
<td>●</td>
<td>84.60 (2018: 92.27)</td>
<td>Identify and record biodiversity performance and calculate biodiversity net gain for all projects.</td>
</tr>
<tr>
<td><strong>SUPPLY CHAIN</strong></td>
<td></td>
<td></td>
<td>Continue to improve contractors health and safety awareness by delivering CITB Directors Role for Health and Safety.</td>
</tr>
<tr>
<td>Continue to improve contractors health and safety awareness by delivering CITB Directors Role for Health and Safety.</td>
<td></td>
<td></td>
<td>Form partnerships with waste companies to identify joint projects and objectives to drive reduction in waste and increase in diversion from landfill.</td>
</tr>
</tbody>
</table>
Verification statement

Scope
RPS conducted an independent verification of Countryside Properties PLC’s (“CPPLC”) Sustainability Report (covering the period October 2018 – September 2019). This is the nineteenth year that Countryside Properties has had its report externally verified.

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

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

Methodology
CPPLC’s GHG inventory has been completed in accordance with the WBCSD & WRI Greenhouse Gas Protocol GHG corporate and scope 3 standards; and adheres to the best practice reporting principles of relevance, completeness, consistency, transparency and accuracy.

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

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

Conclusions
The materiality assessment was again reviewed and updated in the reporting year forming part of the company’s overall risk assessment process. The published report has been structured to reflect the result of this process within the overarching company’s vision – ‘Places People Love’ which also informs a summary section included within the Annual Report and Accounts.

Systematic management of CPPLC’s sustainability issues is maintained, with the use of management systems for quality, health and safety and the environment applied to all operating divisions. The integration of the Warrington Modular Factory within the overarching company systems is in progress. The use of Smartwaste as a data collection tool has been rolled out for use within the business.

CPPLC measures performance against its core set of objectives and quantitative key performance indicators (KPIs) and has achieved 80% of these objectives during the course of the reporting year. However, due to the increased size of the company there is an identified need for additional resource to ensure the continued embedding of sustainability throughout its operations. During the reporting year progress has been made with embedding social value within the business although identifying how this can be fully quantified in financial terms is still in development.

Based on the agreed scope of work and the approach outlined above, nothing has come to our attention that causes us not to believe that, in all material respects, the CPPLC Sustainability Report 2019 provides a credible and fair representation of the organisation’s sustainability performance.

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

• Develop and embed a GHG Accounting Protocol detailing process and assumptions to be used to ensure the same process is employed year-on-year.
• Develop and embed Science Based Targets ("SBT").
• Improve the collection of raw data and its input into data collection tools such as Smartwaste.
• Continue to refine its approach to calculating its performance measures and targets in order to promote comparability across its reporting and particularly with its peers.
• Continue to embed social value measuring policies across the Group and deliver auditable data.

Tanya Lloyd Jones
MA (Oxon), MSc, MIEMA, CEnv
Technical Director
RPS Consulting UK and Ireland
6 March 2020