



Environment and People: Our ESG strategy

September 2022



Index

CEO foreword	3
Environment & People	4
Introduction to Springfield	4
Introduction to our Strategy	5
Developing our Strategy	5
Aligning with the United Nations Sustainable Development Goals	6
ESG priorities - Environment	
1 - Net Carbon Zero	9
2 - Nature and Resource Use	10
3 - Materials and Waste	11
ESG priorities - Social	
4 - Looking After Employees	17
5 - Health and Safety	19
6 - Customer Satisfaction	20
7 - Community Engagement	21
ESG priorities - Governance	
8 - ESG Governance Structure	27
9 - TCFD Preparedness	27
10 - Risk Management	28
11 - Supply Chain	29
12 - Modern Slavery	29
External Reporting	31
Table of Targets Set	33



CEO foreword

Springfield has always had sustainability at its core. It's in our DNA to do the right thing across our operations, whether it be the design of our developments, the delivery of our homes, our engagement with stakeholders or in the way we look after our customers and employees.

As an employer, we have always sought to create a workplace where everyone can thrive and we have strong commitments to apprenticeships and other formal training. We have led the way in environmental innovative initiatives such as the use of waste plastic in roads and the early introduction of infrastructure for Electric Vehicle (EV) charging within our customers' homes. The announcement of our first electric van for our timber kit factory in 2021 marked the initial step in our plan to phase out diesel vehicles in favour of a fully electric fleet. We have now also made the switch to all-electric cars for our employees under the company car scheme and more than 55% of those eligible have signed up. This all provides us with an excellent base for our strategy to build from.

Whilst ESG has become the known acronym to capture sustainability initiatives, for us it is all about environment and people, that is what is important to us and that is our focus. As one of Scotland's largest housebuilders, Springfield has the potential to take an influential lead. As we continue to grow

as a Group, it is important for us to formalise our approach to bring together all the good practice from across the brands and regions and to challenge us to continue to improve on what we do. I'm delighted to be introducing Springfield's first Environment and People Strategy.

There is no doubt that pursuing ESG presents tremendous opportunities for us as a company given the drive from investors, Scottish Government and other public partners, as well as getting a head start on the demand we expect to see from customers in the future. However, I am determined that the Springfield approach to ESG will be authentic. We want to do this because delivering high quality, energy efficient homes for our customers, looking after our employees, helping prevent climate change and protecting the environments we live and work in for generations to come is the right thing to do to.

I look forward to leading a new committee of our Board to closely monitor our performance against each goal set and to continue to drive improvements as this agenda develops.

**Innes Smith,
CEO**

Introduction to Springfield

Starting with the belief that everyone in Scotland deserves a good place to live, the Springfield Group is proud to deliver a range of housing across all tenures. This includes: homes for sale, from starter homes to large family homes and everything in between; affordable homes, with strong partnerships with housing associations and local authorities to provide homes for social and mid-market rent; and purpose-built family homes for the Private Rented Sector (PRS) working with our new partner, Sigma Capital Group Ltd.

Offering affordable housing is a key part of Springfield's business. We go beyond what is required through planning obligations and actively seek out sites for the delivery of high quality, energy efficient affordable homes. Our proactive approach to affordable housing delivery, and our strong partnerships within the housing sector, have resulted in the supply of over 3,500 affordable homes for families in need to date.

The Springfield Group is made up of a number of well-established and respected brands including Springfield Properties, Springfield Partnerships, Dawn Homes, Walker Group, Tulloch Homes and Mactaggart & Mickel Homes. Together, we are one of the largest housebuilders in Scotland, delivering over 1,000 homes each year with ambitions for further growth to help meet housing needs and aspirations across the country. Whilst each brand offers something different to each geographic area, we underpin the entire business with a strong ethos of building a quality home and looking after our customers, our employees and the communities in which we operate.

The Springfield journey is an exciting one from its modest roots with our Chairman as a market gardener stepping into housebuilding in the 1990s, to listing on the AIM market in 2017, and we've doubled in size every five years. We build as north as Dornoch, as south as Dumfries and from the east coast to the west of Scotland, delivering quality homes and creating fantastic, sustainable communities.

At Springfield we are proud to deliver high quality, energy efficient homes and to create fantastic new sustainable communities across Scotland for families to enjoy for decades to come.

Environment and People

ESG is an acronym for Environmental, Social, and Governance. ESG extends beyond just environmental issues and considers 'sustainability' in the round. Within businesses, ESG is best described as a framework that helps stakeholders understand how an organisation is managing risks and opportunities related to Environmental, Social, and Governance criteria.

Whilst the acronym of ESG is new across many sectors, for Springfield it is all about steps that can be taken to look after the environment and to look

after people. With the environment, that can be steps to reduce our carbon footprint or waste, actions that could increase biodiversity and create new green spaces, or introduce new innovations within the homes we build to encourage more sustainable behaviour. With people, it is about looking after our customers, our employees, our sub-contractors and supply chain as well as the families that make up our varied communities across the country.

Introduction to our Strategy

The time is right for us to formalise what we do under the broad spectrum of 'sustainability'. Within our strategy we will showcase our strengths, but also be honest about areas where we feel we can do more. We will set clear goals and commit to measuring performance against them through a new governance structure. Our approach throughout will be genuine and transparent, against the backdrop of the existing company culture of wanting to do the right thing.

We are beginning a new journey in sustainability: building on our baseline and setting a clear road map and framework. We have identified themes within E, S and G that are critical to the future success of our organisation, and important to our varied stakeholders.

Developing our Strategy

In developing our strategy we have undergone a rigorous process to determine our strategic objectives and priorities across the ESG spectrum. The Springfield Properties plc Board has provided oversight and challenge throughout the strategy development.

Noted below are two specific processes undertaken during strategy development which we believe has strengthened the outcomes.

Baselining, gap and risk analysis, including stakeholder analysis and materiality assessment.

We established a baseline of activities across our operations under E, S and G. We then considered what stakeholders are looking for companies to report on and undertook a peer analysis to understand activities and expectations specific to housebuilding. A gap analysis was then carried out on our baseline to understand what we do and report on already and what more could be done.

Finally, we considered the risks that lay in the gaps identified to help us shape the timeline based on the urgency of the gaps being addressed. Data collection improvements are one of the key priorities in the first two years, and we anticipate that as the data improves, this will enable more robust medium- and long-term targets to be added.

Collaborating with Lloyds / Bank of Scotland & JLL to help develop the new sustainability benchmark known as 'NextGeneration Core'

NextGeneration is an initiative within the UK housebuilding sector to drive continuous improvement and to recognise where practice exceeds minimum standards. The criteria includes Environmental, Social and Governance issues, focusing on both operations and the homes built. The top 25 housebuilders across the UK are assessed annually against the full NextGeneration criteria and an objective behind the introduction of the 'NextGeneration Core' was to give smaller to medium-sized housebuilders the opportunity to benchmark their sustainability performance. Springfield was keen to support the development of this

new criteria and we have been working closely with Lloyds/Bank of Scotland and JLL, as administrators of the scheme, in its development.

Going through this process has been helpful to Springfield in reinforcing areas of strength from good practice across the business and in identifying areas where we need to improve, particularly in relation to data gathering. Now that 'NextGeneration Core' has been launched, we have agreed to participate formally in the initiative and believe we will be the first housebuilder in the UK to do so.

Aligning with the UN SDGs

We have mapped the alignment of our strategic objectives and priorities with the United Nations Sustainable Development Goals (UN SDGs). The UN SDGs, agreed at the United Nations General Assembly in 2015, are a set of ambitious global environmental, social and economic targets, the achievement of which would enable a more sustainable and equitable future.

Springfield recognises that all SDGs and targets are important and interconnected. We assessed the relevance of the SDGs for the company, our vision and our strategy to shortlist the following goals. The SDGs, which we strongly align with, are reflected in the targets set within this strategy and are, we believe, the most widely understood set of goals across the world.

Springfield is committed to following and understanding the work of the UN in this area to continue to align with the SDGs and we will continually review the goals as we progress on our ESG journey.





Good Health and Wellbeing

We will continue to support our employees and homeowners to make positive choices to health, and wellbeing, particularly health and safety on construction sites.

03

Gender Equality

The construction industry has historically been a male dominated sector and we seek to support the best people for the role, and be inclusive of all protected characteristics, including gender.

05

Affordable and Clean Energy

With fossil fuels in new builds expected to be outlawed by 2024, and rising costs of energy, affordable and clean energy access has never been more important for our homeowners. Building on a high proportion of our homes having access to air source heat pumps, we will review alternative energy technologies.

07

Decent Work and Economic Growth

We can trace our commitment to decent work for our employees and economic growth from a family business to one of the largest housebuilders in Scotland. We will continue to support local subcontractors and aim to use local suppliers to stimulate activity for a large range of Scottish businesses. At least 15% of our employees are undertaking formal training to support decent work for the future.

08

Sustainable Cities and Communities

We consider how the design of our homes and village communities can support sustainable lifestyle choices and community development through access to safe and affordable housing and providing accessible green and public spaces.

11

Responsible Consumption and Production

We build, source and recycle with respect to the environment. Innovative construction methods in our factories and on site aim to minimise waste and resource use further, and also improve quality control.

12

Climate Action

We all have a part to play with climate action. Through the design of our homes and operations, we consider and integrate climate change mitigation and adaptation.

13

Life on land

We consider the impact our developments and villages have on the local biodiversity, working with NatureScot to understand our approach to measuring biodiversity net gain.

15



The
Springfield
Group

Environment

01 Net Zero Carbon



Themes: Net Zero target, Our operational footprint, The homes we deliver

We will drive the reduction of carbon emissions through our operations and in the homes that we build. Through innovation in design, and energy efficiency measures, we plan to achieve Net Zero before 2045, ahead of the Scottish Government’s own aspirations. Preliminary analysis shows that Springfield could reduce Scope 1 and 2 emissions by up to 40% by 2030 through phasing out diesel vehicles and switching to renewable energy electricity tariffs. Beyond these reductions, additional measures will be required to generate savings from areas such as diesel generators and plant on site and we will examine what the next practical steps are that we can take in this area.

In Scotland fossil fuels in new build homes will be outlawed in building standards from 2024 and alternatives need to be found. At Springfield, we have gained experience in the delivery of alternative technologies, such as air source technology, with over 50 sites to date having been completed or are under construction without gas. We will align ourselves with the Scottish Government route map and understand the capital cost, running cost and supply chain availability of alternative technologies.

We are committed to achieving Net Zero before 2045, ahead of the Scottish Government’s own aspirations. This commitment is the starting point for the E within this strategy and will be a strong focus within our first-year activities to create an ambitious and achievable road map.

Our Approach

By May 2023, we will:

- Set an interim target and a transition plan roadmap.
- Review our ability to deliver on a science-based target following research and a feasibility study to consider the boundary of Scope 3 emissions and alignment with the Paris agreement.
- Undertake a project to identify and assess potential alternate site low carbon fuel sources.
- Research the potential of alternative technologies for all new build homes to be fossil fuel free to understand the impact of capital cost, running cost and carbon reduction over the life of the property.



02

Nature and Resource Use



Themes: Biodiversity; Land use, Placemaking, Water

Biodiversity Net Gain is a development approach that aims to leave the natural environment in a measurably better state than beforehand. We have engaged with the nature regulator in Scotland, NatureScot, to further our understanding and develop our approach. Jointly we are developing calculation methodologies and a potential partnership to help shape the metrics, targets and best practice within Scotland.

Within this theme, we have also considered our impact on land use, placemaking and water efficiency. As part of our village developments, placemaking is at the heart of the design process. The village concept has been developed by our own in-house team of architects and urban designers to ensure thriving communities with local amenities, sustainable transport links and quality green spaces.

We will continue to work with planners, regulators and specialists to ensure flood risks and climate risks are managed and that adequate controls are embedded in our developments.

Our Approach

By May 2023, we will:

- Undertake a project to determine an approach for measuring biodiversity pre- and post-build to show biodiversity net gain, collaborating with subject-matter experts and NatureScot to determine an appropriate methodology reflecting the biodiversity in Scotland.
- Explore the creation of woodlands for the purposes of enhancing biodiversity, sequestering carbon and other social benefits.
- Develop an Environmental Management System aligned with ISO14001.

By May 2024, we will:

- Improve data collection and reporting on the water efficiency of our developments and set targets for improvements.

03

Materials and Waste



Themes: Modern Methods of Construction, Raw materials, Waste

Timber frame construction is the fastest growing method of construction in the world and makes up over 70% of the Scottish new build housing market. With over 90% of our homes built using timber off-site manufacturing techniques, we have been at the forefront of Modern Methods of Construction (MMC). The timber used is sourced from Forest Stewardship Council (FSC) and Programme for the Endorsement of Forest Certification (PEFC) sources, but we recognise the challenge that comes from construction waste. Precision-engineered kits mean minimal wastage of materials; accurate production of individually designed kits; timely, programmed delivery of each kit; and efficient on-site construction. The construction industry accounts for over 50% of the total waste generated in the UK each year so there is an opportunity to reduce the amount sent to landfill as well as improve our data collection across the Group.

We recognise the importance of MMC in building quality homes with less waste, higher productivity and better environmental and safety outcomes overall. Within this theme, we have already started developing our methodology to calculate our level of MMC utilised across our operations.

Our Approach

By May 2023, we will:

- Improve the quality of data, reduce waste generated and target 90%+ diverted from landfill.
- Set targets around:
 - Responsible sourcing of materials
 - Recycled content of materials
- Review existing methodologies for calculating MMC in housebuilding with key partners and set an improvement target.



Case Study:

EV charging for our customers' homes

The Scottish Government pledged that by 2032, all new vehicles sold in Scotland would be electric. With EV infrastructure still in its infancy at the time of the announcement, the lack of home charging was perceived as a barrier for making the switch. To make it as easy as possible for customers to go electric, we committed to including cabling for all Springfield houses for private sale.

Installed to the most practical point of the home, typically the garage or the driveway, the 240v cabling makes the installation of a charging point less intrusive for the customer. We have delivered over 2,000 homes with EV cabling.



Case Study:

Company Electric Vehicles

To reduce our impact on the environment and encourage a behavioural change, in September 2021, we launched a Company Electric Car scheme for eligible employees.

Since the scheme was launched, we're pleased that over 130 employees have ordered an electric company car, with 81 vehicles already delivered and in use, contributing to a significant reduction in our employee's carbon footprint. With more than 55% of those eligible already taking part in the scheme, Springfield has become a flagship example for its car leasing provider of how to implement such an initiative.

Adding to our support, in September 2021 we introduced our first electric van, which is used by staff at our off-site kit factory in Elgin. The use of electric vans is an important part of our sustainability strategy, and we are in the process of transitioning our fleet. With an estimated saving of 5.2 tonnes of carbon dioxide per vehicle, this initiative will drive a noticeable decrease in our carbon footprint across the company.



Case Study:

A head start on Air source technology

With fossil fuelled heating in new build homes due to be outlawed in Scotland from 2024, we were keen to gain early experience and put in place supply chain partners for non-gas alternatives as soon as we could. A significant proportion of the homes we deliver annually are for the affordable housing sector and affordability of heating to help eradicate fuel poverty was a significant driving force. We opted for air source technology.

Air source heat pumps do the reverse of what a refrigerator does, drawing warm air into the home from outside. By making the switch to heat pump technology, customers enjoy a warm home and save money, all while reducing their carbon emissions. The heat pumps that we install operate almost silently, with a sleek, modern design making them the perfect fit for the quality homes we deliver.

To date we have successfully delivered over 50 developments with homes heated by full air source.

Case Study:

Fabric First for healthy, energy efficient homes

The Springfield approach to building a home is 'fabric first'. We believe that opting for thick, quality insulation first and foremost is key to achieving energy efficiency and provides the most direct benefit to the customer, providing a comfortable temperature, reducing energy costs, and lowering impact on the environment.

Over 90% of Springfield homes are built using FSC approved timber with kits produced in Scotland. Springfield's first timber kit factory began operating over twenty years ago in Elgin in the north of Scotland. This year we opened a second timber kit factory in the central belt of Scotland. The addition of a second timber kit factory secures supply and further reduces our carbon footprint as we reduce the transport distances of the kits produced.

We use a durable quality, thermally efficient external fabric to retain heat within the home. Scottish Building Standards are amongst the highest in Europe and Springfield has gone beyond current regulations in our homes to ensure we are delivering the best for our customers now and into the future.





Social



04

Looking after our Employees



Themes: Employee benefits, EDI, Training, Supporting local jobs, Fair pay

Springfield is a major employer in regions across Scotland supporting local jobs and this extends to our subcontractors and supply chain creating a strong stimulus to local economies.

At Springfield, we believe that we create the opportunity for everyone to thrive. We recruit, for non-executives and employees, based on the best person for the job. Our Gender Pay gap performance is excellent and in 2022 we reported that we had effectively closed the gap between the pay of our male and female employees. An 'Equality, Diversity and Inclusion' (EDI) policy will formalise our approach and help ensure parity is maintained.

We acknowledge the importance of ethnic diversity. We are keen to better understand the ethnic make-up of the communities that we are active in. This will allow us to identify any relevant actions within our EDI policy around representation within our Board membership, as well as at employee level.

Our employment package, including benefits and training, provides the environment for our employees to flourish. This is demonstrated by high levels of staff retention and internal promotions. Initiatives to promote wellbeing include private health care, free gym membership and employee assistance schemes which offer a positive, preventative and supportive telephone and online service that helps employees, and their families, deal with events and issues that can affect their everyday work and personal life. Access to sharesave schemes offer employees the opportunity to benefit from the success of the company. With 54% of employees signed up to our current sharesave scheme, which is well above the industry average of 28%, this is a great testament to the motivation of our employees towards the aims of our business.

Springfield is committed to skills development and the creation of a future workforce. We achieve this through our apprenticeship programme and our engagement with local schools (also see Community Engagement).

We believe our performance as a quality employer is already high, and strategically our objectives should be to measure this through external accreditation and to formalise our good practice in policy. We will also commit to monitoring and reporting on data relating to our workforce, including the proportion of subcontractors versus employees.



Our Approach

By May 2023, we will:

- Consider what data would be helpful to publish on our workforce, including the proportion of sub-contractors and include this in our strategy reporting.
 - Produce an Equality, Diversity and Inclusion policy.
-

By May 2024, we will:

- Explore the value of external accreditation schemes including Investors in People (IIP), Healthy Working Lives and the Living Wage.
 - Introduce a project at site level to calculate the proportion of local subcontractors we use to better understand our impact on local economies.
-

Ongoing, we will:

- Report on our performance against our target of 15% of employees undertaking formal training and / or apprenticeships.



05 Health & Safety



Themes: Safety of employees

As a housebuilder, health & safety is of the utmost importance for our operations and we have a skilled Safety, Health, Environment and Quality Team in place to ensure high standards across the Group. This extends to looking after the wellbeing and mental health of our employees. We have established mental health first aiders with the support of the Lighthouse Construction Industry Charity. Sub-contractors are included in the support offered through the Lighthouse as well as the Health & Safety statistics we currently collect.



Our Approach

By May 2023, we will:

- Implement a Core Competencies Training Matrix for personnel, to ensure continued improvements in health & safety standards across all positions.
- Ensure all approved contractors undertake pre-qualification questionnaire (PQQ) before starting on site.

By May 2024, we will:

- Develop health and safety processes to align with ISO45001 with a view to obtaining external certification.

Ongoing, we will:

- Monitor and report accidents using standard industry metrics including Accident Incidence Rate (AIR) and Accident Frequency Rate (AFR) with a target performance of equal or better than the industry average.
- Build upon our partnership with the Lighthouse Construction Industry Charity to raise awareness of mental health issues and promote the resources available for support.

06

Customer Satisfaction



Themes: Customer experience, Product quality

We strive for excellence in customer service through all stages of the house buying process and the quality of the houses we build. Springfield is proud to offer customers a high level of specification as standard, as well as a high level of choice. We continuously achieve over 90% customer satisfaction and engage with customers to identify areas to improve performance further. We strive to ensure that 100% of our customers are happy with their homes and feel well looked after. The ISO9001 Certified Quality Management system is also in place.

The New Homes Quality Code is being introduced industry wide to provide customers added protection when buying a new build home. We registered for the New Homes Quality Board in July 2022, well ahead of the deadline of 31 December 2022 and are currently preparing for the activation of the new code. This will include a new standard complaints procedure across the Group with measured service levels introduced for customer communications. Whilst our customers will benefit in confidence from this added protection, our overall objective is to look after customers and build quality homes to ensure our customers are highly satisfied from the outset.

Understanding the customers appetite for new technology to achieve energy efficiency is going to be crucial to support our route to net zero carbon. We are currently rolling out the use of new technology to better engage our customers through the use of an app that offers personalised information about the use of their home to ensure they can make the most of the sustainability features installed.

Our Approach

By May 2023, we will:

- Register for the New Homes Quality Code and integrate into business processes.
- Offer all new customers additional information on the use of their home to promote sustainable behaviour and help ensure that they can maximise the efficiency of their home.
- Survey customers on sustainability to understand their views on issues such as biodiversity and energy efficiency.

Ongoing, we will:

- Strive to ensure customer satisfaction increases year on year with an aspirational target of 100%, measured by independent accredited surveys.

07

Community Engagement



Themes: Engagement with community, Sponsorship and volunteering

The concept of community is at our core and our approach to community engagement goes well beyond that of a traditional housebuilder. Our aim is to create sustainable communities and great places that families can enjoy living in for decades to come. At Springfield, we have a member of staff specially appointed to lead on community engagement.

We engage and consult the local community and residents at all stages of development from planning to post build. Our engagement is particularly strong as part of our village concept to help create communities that can flourish. We also engage with our community through sponsorship and donations in the communities that we operate.

Springfield has been particularly strong in our engagement with local schools. Through the use of new technology, we are considering how we could maximise our efforts, which include raising awareness of career opportunities within housebuilding, practical skills such as preparing school leavers for recruitment processes and mentoring young people who are seeking additional support or work experience in their transition from school or further education into the workplace.

Our Approach

By May 2023, we will:

- Introduce our own good practice standards for community engagement in the planning process, going beyond regulatory requirements.

Ongoing, we will:

- Incrementally increase the number of community engagement events that we host, with growth in line with the volume of developments that we are delivering.
- Commit a headline budget for sponsorship and donations to ensure we can proactively support causes and initiatives that align with our wider objectives and introduce a methodology for assessing the value of the impact made by this activity.
- Support employees who wish to help others – such as through schools, mentoring schemes, charitable work and other projects - by developing a process to capture and track the time offered.

Case Study:

Mental Health Awareness

With suicide rates within the construction industry above the national average, we are keen to change the perception of mental health within the business and get people talking about mental wellbeing, a notion very much supported by our Board.

Over 30% of employees across the Group have carried out some form of Mental Health training, from Mental Health awareness courses to Mental Health First Aid training and suicide prevention.

In addition, we entered into a partnership with The Lighthouse Club – a mental health support charity exclusively for those within the construction sector and their families. The partnership, focusing specifically on the ‘Help inside the Hard Hat’ campaign, provides resources to display across construction sites with contact information for the construction industry helpline to help normalise speaking about mental wellbeing.

Our initiatives in mental health and wellbeing are offered to sub-contractors working on our construction sites, as well as our direct employees.



Case Study:

Quality Management System and ISO:9001

The Quality Management System (QMS) is being improved and relaunched across the Springfield Group. In 2015, Springfield achieved ISO:9001. This internationally recognised system allows us to understand the needs of our customers and how things are achieved within the business. As the company has grown, it has been vital to have strong, reliable processes in place that are aligned across each brand.

Our well-established business processes are externally certified to ISO 9001:2015 and designed to help us conduct our operations to a consistent standard across the Group. In 2022, we are continuing to make improvements by reviewing these processes to ensure we deliver better quality homes for our clients now and in future years.

Case Study:

Community Engagement

We know it takes more than houses to create a home. Alongside creating quality, energy efficient homes, we are committed to doing all we can to create sustainable communities for families to enjoy for years to come. Springfield has a dedicated Community Engagement Co-ordinator whose primary focus is to ensure our residents, regardless of tenure, feel part of their neighbourhood. Across the Springfield Villages, they drum up community spirit through a variety of activities and updates in quarterly newsletters. Our Community Engagement Co-ordinator also works with the residents on tackling more practical things that affect their daily lives such as littering and the provision of grit bins.

From the community point of view, they have a named individual to contact directly or speak to when they are out on site. A friendly face that they can get to know and trust that they will get a response, regardless of the enquiry.

At our villages, we also host seasonal events to bring the communities together creating an opportunity to chat to existing neighbours and to meet those who have not long moved in. At Christmas, we donated a 13ft Christmas tree and decorated this with solar powered lights and we arranged for a Santa to meet with children while carol singers from a local church group gathered to sing around the tree. A photographer was commissioned to capture the moment the children met Santa and photos were sent to each family as a keepsake. Our team handed out reusable and recyclable 'Santa Stop Here' signs, which children could colour in, and candy canes for younger residents. The events were attended by more than 100 residents in each community.



Case Study:

Springfield Villages

A Springfield Village is a new place with everything a community needs to thrive. Our villages are designed with the capacity to include up to 3,000 homes, across a variety of tenures, shops and other local amenities, provision for education, cycle and walking routes through the village connecting to the wider area and play parks and open amenity space for all to enjoy.



Dykes of Gray, Dundee

At the heart of Dykes of Gray is the village core. It is already home to a thriving convenience store, community notice board, a post box, bus stop, public artwork, a south facing amphitheatre, village green and play park. As the village grows it will also be home to a village hall, a nursery, café, and other retail opportunities all available within easy reach of residents.

Throughout the village there are green corridors, open spaces and tree lined streets which creates active travel routes to encourage walking, jogging and cycling to promote wellbeing as well as biodiversity. A number of streets within the village were designed to be suitable for a bus route. The community has successfully engaged with a local bus company and a service to Dundee city centre is now in place and a bus stop has been installed in the village core.

We identified that public art was a key part of a traditional Scottish village. Something that signifies the themes of the village, strengthens the identity, while creating something the community can be proud of. 'Growth' was the theme of the public art to celebrate the establishment of a new place and the first sculpture, named 'Seeds', was installed along the edge of the amphitheatre in 2018. The sculptures help to enrich the distinctiveness of the village as it grows.

Bertha Park, Perth

Built on the outskirts of Perth, Bertha Park is a Springfield Village. Bertha Park has a Microsoft Flagship high school, one of just 17 in the world, a destination play park, a beautiful SUDs pod that has won awards for its blue green infrastructure and biodiversity, a local convenience store, a community hub and its own bus route as well as connecting to the wider area with walking and cycle routes.

Designed as a standalone new place, complete with everything a community needs to thrive, the Bertha Park masterplan shows a clear vision for future housing delivery. It provides an impressive example of a 'twenty-minute neighbourhood' supporting people to live locally by providing everything residents need on their doorstep. As the village continues to grow, Bertha Park will become home to an orchard, allotments, and other businesses such as cafés, a hairdressers and a pharmacy.

We believe everyone deserves a good place to live and we are proud to deliver a range of housing across all tenures at our villages. This includes: homes for sale, from starter homes to large family homes and everything in between; affordable homes, with strong partnerships with housing associations and local authorities to provide homes for social and mid-market rent; and purpose built family homes for the PRS, the first of its kind in Scotland, working with our partner Sigma Capital plc.



Governance



08

ESG Governance Structure

As an AIM-listed business, Springfield Properties plc has mature governance across the whole spectrum of its operations. Governance is a crucial part of our approach to ESG to ensure continued commitment to our strategic objectives through everything we do. In response to this, we have strengthened our governance in this area. A new governance structure for ESG has been approved by the Board and is now being implemented. A dedicated Non-Executive Director has been designated for ESG since March 2021 and this individual has been involved closely in the development of this strategy.

Our Approach

By May 2023, we will

- Formally create a sub-committee of the Board, chaired by the Chief Executive, to oversee the progress of the strategy.

09

Taskforce on Climate-Related Financial Disclosures (TCFD)

As an AIM-listed organisation with more than 500 employees we are required to make a TCFD compliant disclosure within our 31 May 2023 Annual Report and Accounts. The disclosures are required to share the steps we have taken to incorporate climate-related risks and opportunities into our risk management and strategic planning processes. It will provide information on four elements of our organisation's operations, namely governance, strategy, risk management and metrics / targets.

Our strategy work to date has considered much of this to ensure we are prepared and work continues on the actual disclosure and risk quantification.

Our Approach

By December 2023, we will

- Make our first TCFD compliant disclosure to accompany our annual accounts for year ending May 2023 due to be published in September 2023.

10 Risk Management

TCFD disclosures will require more granular detail on how we identify, assess and manage climate-related risks. We will also provide commentary on how climate risks are embedded into the overarching risk management process. As such, climate risks cannot be considered in isolation of the wider risk management frameworks.



Our Approach

By May 2023, we will

- Consolidate risk registers using a consistent methodology and defining risk appetites.

11

Supply Chain Resilience

Supply chain policies and engagement are key focus areas for our industry. Policies and engagement include issues such as product provenance, responsible sourcing, recycled content and associated and embedded carbon emissions. Our focus on our supply chain will be a key area for us in the future as we consider the ripple effects of our own efforts in ESG and consider what could be introduced to ensure the resilience of our suppliers and sub-contractors.

Our Approach

By May 2023, we will

- Engage with new and existing suppliers to consider their own ESG performance.

By March 2024, we will

- Seek to encourage smaller suppliers and sub-contractors who have not yet started a journey on ESG.
- Review Terms & Conditions for sub-contractors across the Group against external accreditations to ensure best practice.

12

Modern Slavery – planned project

Whilst we have an existing Modern Slavery statement meeting regulatory requirements, we are keen to ensure it represents best practice and are currently engaged in a network 'Scotland Against Modern Slavery' to increase our understanding of the biggest risks in our sector.

Our Approach

By May 2023, we will

- Refresh our Modern Slavery statement.



Reporting & Conclusion

Reporting our progress externally

The primary methods for reporting will be through our annual reports and through the Springfield Group website. We also envisage discussing our progress directly with key stakeholders such as investors.

Progress against set targets alongside narrative for more qualitative data will be produced annually for disclosure within the Annual Report and Accounts in the same way that current requirements for SECR disclosures are now. Sign-off for the content will go through the existing annual report and accounts sign-off protocols.

Our website content is managed by our Group Corporate Communications Director, a member of both the Group's Operational Board and ESG Committee. Any significant announcements regarding ESG will have been approved by the ESG Committee and CEO. Where there is a material impact this will also have approval by the Board.





In conclusion

We are proud to bring together key elements of our work supporting the Environment and People in this strategy. We have identified our priorities and presented an overview of current practice, outlining a number of key targets and projects that we have selected to focus on in the coming months and years. Data collection improvements are one of the key priorities in the first two years, and we anticipate that as the data improves, this will enable more robust medium- and long-term targets to be added. As we delve further into our journey on ESG, we very much look forward to reporting on each of these, sharing our positive progress, and, as appropriate, being upfront and transparent in explaining any challenges we face.

The full list of the targets set can be found in the following table.

Table of Targets Set:

Date	E,S,G	Issue	Target
By May 2023	E	Net Zero Carbon	<ul style="list-style-type: none"> • Set an interim target and a transition plan roadmap • Review our ability to deliver on a Science Based Target following research and a feasibility study to consider the boundary of scope 3 emissions and alignment with the Paris agreement • Undertake a project to identify and assess potential alternate site low carbon fuel sources • Research the potential of alternative technologies for all new build homes to be fossil fuel free to understand the impact of capital cost, running cost and carbon reduction over the life of the property
		Nature & Resource	<ul style="list-style-type: none"> • Undertake a project to determine an approach for measuring biodiversity pre- and post-build to show biodiversity net gain, collaborating with NatureScot to determine an appropriate methodology reflecting the biodiversity in Scotland • Explore the creation of woodlands for the purposes of enhancing biodiversity, sequestering carbon and other social benefits • Develop an Environmental Management System aligned to ISO14001
		Materials & Waste	<ul style="list-style-type: none"> • Improve the quality of data, reduce waste generated and target 90%+ diverted from landfill • Set targets around: <ul style="list-style-type: none"> ○ Responsible sourcing of materials ○ Recycled content of materials • Review existing methodologies for calculating MMC in housebuilding with key partners and set an improvement target
		Employees	<ul style="list-style-type: none"> • Produce an Equality, Diversity and Inclusion policy • Consider what data would be helpful to publish on our workforce, including the proportion of sub-contractors and include this in our strategy reporting
S	Health & Safety	<ul style="list-style-type: none"> • Implement health & safety Core Competencies matrix for all positions • Ensure all approved contractors undertake PQQ before starting on site 	
	Customer Satisfaction	<ul style="list-style-type: none"> • Register for the New Homes Quality Code and integrate into business processes • Offer all new customers additional information on the use of their home to promote sustainable behaviour and help ensure that they can maximise the efficiency of their home • Survey customers on sustainability to understand their views on issues such as biodiversity and energy efficiency 	
	Community Engagement	<ul style="list-style-type: none"> • Introduce our own good practice standards for community engagement in the planning process, going beyond regulatory requirements 	

By May 2023	G	Governance Structure	<ul style="list-style-type: none"> Formally create a sub-committee of the Board, chaired by the Chief Executive, to oversee the progress of the strategy
		Risk Management	<ul style="list-style-type: none"> Consolidate risk registers using a consistent methodology and defining risk appetites
		Supply Chain Resilience	<ul style="list-style-type: none"> Engage with new and existing suppliers to consider their own ESG performance
		Modern Slavery	<ul style="list-style-type: none"> Refresh our Modern Slavery statement
By Dec 2023	G	TCFD ready	<ul style="list-style-type: none"> Make our first TCFD compliant disclosure to accompany our annual accounts for year ending 31 May 2023 due to be published in autumn 2023
By May 2024	E	Nature & Land Use	<ul style="list-style-type: none"> Improve data collection and reporting on the water efficiency of our developments and set targets for improvements
		S	Employees
	Health & Safety		<ul style="list-style-type: none"> Develop health and safety processes to align with ISO45001 with a view to obtaining external certification
	G	Supply Chain Resilience	<ul style="list-style-type: none"> Seek to encourage smaller suppliers and sub-contractors who have not yet started a journey on ESG Review Terms & Conditions for sub-contractors across the Group against external accreditations to ensure best practice
On- going	S	Employees	<ul style="list-style-type: none"> Report on our performance against our target of 15% of employees undertaking formal training and / or apprenticeships
		Health & Safety	<ul style="list-style-type: none"> Monitor and report accidents using standard industry metrics including AIR and AFR with a target performance of equal or better than the industry average Build upon our partnership with the Lighthouse Construction Industry Charity to raise awareness of mental health issues and promote the resources available for support
		Customer Satisfaction	<ul style="list-style-type: none"> Strive to ensure customer satisfaction increases year on year with an aspirational target of 100%, measured by independent accredited surveys
		Community Engagement	<ul style="list-style-type: none"> Incrementally increase the number of community engagement events that we host Commit a headline budget for sponsorship and donations to ensure we can proactively support causes and initiatives that align with our wider objectives Support employees who wish to help others (such as through schools, mentoring schemes, charitable work and other projects) by developing a process to capture and track the time offered

