



Environment & People

ESG Strategy Annual Update

September 2026

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CEO, Innes Smith, Foreword

*At Springfield, we do business in the right way. **We build quality homes and create successful communities, look after the environment and support our people.***

This annual ESG update is an opportunity to share the progress we have made across our key pillars of Environment and People. It highlights the practical steps we are taking across the business and the difference these actions are making.

*The report is also a useful way to share good practice with our investors and other stakeholders. It provides insight into how we operate, the culture we have built and the values that guide our decisions. **ESG is not a separate part of our business. It is part of how we work every day.***

I am proud of the commitment shown by our teams and of the progress outlined in this report. While there is always more to do, we remain focused on improving our environmental impact, supporting our colleagues and putting our customers and the communities in which we build first.



Structure of Report

This update outlines our progress on key objectives within our Environment and People strategy, with a focus on the period 1 June 2025 to 31 May 2026. The data within this report is based on homes handed over to customers for occupation within the period.

The report provides an overview of our activities under the banners of 'Environment' and 'People' including performance against KPIs and case studies to help illustrate progress made. At the conclusion of the report, we outline our objectives for the current financial year, 1 June 2026 to 31 May 2027.

Tulloch Homes - Conon Braes, Conon.



Environment



Springfield Properties -
Dykes of Gray Village, Dundee.

Springfield remains committed to reducing its environmental impact through responsible resource management, lower carbon operations and the delivery of more sustainable homes and communities.

We published our pathway to net zero in September 2023. It outlines how we intend to reduce carbon emissions across our operations in the short, medium and long term as we work towards our aspiration of achieving net zero carbon before 2045. This ambition aligns with the Scottish Government's target for Scotland to achieve net zero emissions by 2045.

Ensuring UK has a secure, affordable and lower-carbon energy supply will require significant investment in new infrastructure over the coming decade. Much of that investment is being concentrated in the North of Scotland, where renewable energy, electricity transmission and related developments are creating demand for thousands of additional workers. Housing is a critical part of that equation. By delivering high quality homes in the right locations, Springfield is helping to provide the accommodation needed to support these projects, enabling investments that will enhance the UK's energy security, accelerate decarbonisation and drive long-term economic growth.



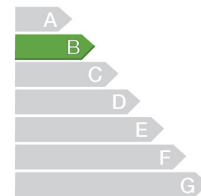
Tulloch Homes -
Air source heating.



66%
of homes with
zero fossil fuels
50% in 2024/25

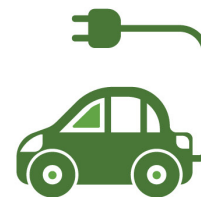


94.5%
waste diverted
from landfill
vs 89.9% in 2024/25



87
average
SAP rating

maintained from 87 2024/25
vs 71 average for Scotland



100%
electric cars
in the fleet
100% in 2024/25

Opportunities in the North



Each home is furnished.



Four bedroom detached home for SSEN.



Fully equipped kitchen.

The North of Scotland continues to represent one of the most significant opportunities for Springfield. Investment in renewable energy, electricity transmission infrastructure and the green freeport is creating demand for thousands of workers and, in turn, a substantial requirement for high-quality housing across the region.

During the year, we strengthened our position in this market through an initial agreement with SSEN Transmission to deliver almost 300 homes to support

its major programme of investment in the electricity transmission network. This reflects the growing need for accommodation linked to nationally important infrastructure projects and demonstrates our ability to provide housing solutions at scale.

Importantly, the homes we deliver will play a direct role in enabling the UK's transition to greater energy security. The major energy projects planned across the North cannot be delivered without the skilled workforce needed to build and

operate them. By providing high-quality homes in the right locations, Springfield is helping to create the communities that will support this workforce and unlock investment in critical national infrastructure.

This opportunity aligns closely with our ESG strategy. It allows us to support sustainable economic development, invest in communities, provide quality homes and contribute to the transition to a lower-carbon economy, while creating long-term value for our stakeholders.

Supporting a Lower Carbon Future

We continue to increase the number of homes delivered without reliance on fossil fuels. During the year, 66% of homes completed were delivered without fossil fuel heating systems, an increase from 50% in the previous year.

The average SAP rating of homes completed remained strong at 87, reflecting our continued focus on energy performance and helping homeowners reduce energy consumption.

As reported in our Streamlined Energy and Carbon Report (SECR), direct carbon emissions (Scope 1 and 2) measured on a per-home-sold basis increased this year from 2.9 to 3.25. This was primarily driven by the prolonged use of temporary diesel generators on certain sites due to delays in securing permanent grid connections, highlighting a challenge facing the wider industry. As homes become increasingly reliant on electricity through technologies such as air source heat pumps and electric vehicle charging, the availability of grid capacity is becoming a strategic issue for housebuilding. Addressing network constraints and improving connection times will be critical to delivering new homes efficiently and supporting the UK's wider decarbonisation ambitions.



Tulloch Homes - Spey Green, Newtonmore.



Energy efficient homes.

Improving Resource Efficiency

Effective waste management remains a key priority. During financial year 2025/26, 94.5% of construction waste was diverted from landfill, an improvement from 89.9% in the previous year.

Across the Group, teams have continued to identify opportunities to reduce waste generation and improve resource efficiency.

Investing in Sustainable Operations

We continued to improve the sustainability of our operations during the year.

The proportion of company cars that are electric remained at 100%. Progress towards electrification of the wider vehicle fleet, including vans, continues to be reviewed as technology develops and operational requirements can be met.

At our Level Timber Frame factory, investment was made in electric forklift trucks, reducing direct emissions while also improving the working environment through the removal of diesel-powered equipment from production areas.



Recycling on site.



Springfield employees with company EV's.

Lifting Sustainability at The Level



Springfield continues to improve the environmental performance of its timber kit manufacturing facility, The Level in Elgin, through investments that reduce emissions and support more sustainable operations.

During 2026, two new electric forklift trucks were introduced at the factory, helping to reduce reliance on fossil fuel-powered equipment and lower operational emissions

across the site. The investment supports Springfield's ongoing efforts to modernise its manufacturing operations while adopting cleaner technologies.

The new forklifts build on a number of sustainability initiatives already implemented at The Level, including the introduction of an electric minibus for employee transport and the construction of an access road incorporating

recycled waste plastic, helping to divert material from landfill while reducing the need for newly manufactured construction materials.

Together, these measures demonstrate Springfield's commitment to embedding

sustainability within its manufacturing operations and identifying practical ways to reduce its environmental footprint.

Last year, Springfield set an objective to undertake a business case assessing the installation of solar photovoltaic (PV) panels on the factory roof. Our initial assessments for this project indicate that the payback from the investment in PV could be beneficial and we intend to progress this further in the year ahead.

With the addition of electric vehicles and equipment, innovative use of recycled materials and future plans to explore on-site renewable energy generation, The Level is shaping up to be one of the most sustainable parts of Springfield's operations, supporting the company's wider ambition to reduce environmental impact while delivering high-quality homes across Scotland.



Piloting battery and PV additions to our already highly energy efficient homes

As part of The Springfield Group's commitment to improving the energy efficiency of new homes, we undertook a pilot project to install solar PV panels and battery storage in two of our new-build homes.

Building on the successful use of air source heat pumps across our developments, the pilot explored how combining renewable energy generation and storage technology could further reduce household energy consumption and running costs for homeowners.

The two homes were equipped with solar PV panels and battery storage alongside our standard air source heat pump technology. The homes achieved a high A-rated EPC, with modelling indicating that homeowners could reduce annual energy bills by around 50% compared with a traditionally heated home.

The pilot confirmed that combining solar PV panels and battery storage with our existing air source heat pump technology can deliver further improvements in energy efficiency and reduce household energy costs. However, it also highlighted the strong performance of our standard specification homes, which already achieve high levels of energy efficiency and low running costs.

The two pilot properties were sold at

approximately £10,000 to cover the additional capital costs more than equivalent homes of the same design on the same development. While the additional technology enhanced energy performance, the benefits achieved did not currently provide sufficient additional value to justify the increased purchase price for most customers.

As a business, Springfield is committed to exploring innovative solutions that support customers, reduce environmental impact and future-proof new homes. This pilot has provided valuable insight into the practical application of renewable energy technologies and reinforced the importance of delivering energy-efficient homes that balance environmental performance, customer benefit and commercial viability, while remaining affordable and accessible to home buyers.

While we do not plan to roll out this specification more widely at present, the project demonstrates our proactive approach to sustainability and innovation. By testing emerging technologies in real-world settings, we can better understand where they add meaningful value and ensure our homes continue to offer some of the most energy-efficient living environments available to our customers.



People

Springfield Accounts Assistant, Courtney McBain, who achieved joint fourth position in the world for her Management Case Study module as part of her Chartered Institute of Management Accounts (CIMA) qualification.

Springfield remains committed to supporting its employees, customers and communities by creating opportunities to develop skills, promote wellbeing, deliver excellent customer experiences and make a positive contribution in the areas where we operate.

During the financial year, we've supported nearly 80 charities, groups and organisations in areas where we are building with donations and raffle prizes for various projects. This includes the donation of two, potentially life saving, defibrillators to a golf club which are available for golfers and members of the public to use in instances of an emergency.



Delivering for our customers

Customer satisfaction remained a key strength for the Group, increasing to 97% during financial year 2025/26 compared with 96% in the previous year.

This achievement reflects the dedication of our teams across the business and their continued focus on delivering high-quality homes and an excellent customer experience.

Listening to our customers remains an important part of our business. The feedback we receive helps us understand where we are performing well and where we can continue to improve, ensuring we maintain a customer-first approach throughout the home buying journey.



Andrew outside his new home in Bertha Park.

During the year, we also continued our strong performance against the standards set by the New Homes Quality Board. We were recognised for achieving 100% compliance across all on-site audits conducted in 2025 and successfully passed a randomly selected compliance self-assessment audit, reinforcing

the strength of our customer care practices and our commitment to meeting the requirements of the New Homes Quality Code.

These results, together with our improved customer satisfaction score, demonstrate the consistently high standards that are being delivered across Springfield.

Supporting Our People

Developing skills and creating opportunities across Scotland remains central to Springfield's long-term success. We are proud that the average length of service of our employees is almost 8 years – and we had 12 more colleagues recently pass the 20-year mark.

Our high apprenticeship numbers mean we employ one craft apprentice for every 13 homes built, well above industry standard. Similarly, 20% of our site workers are in an apprenticeship, demonstrating our commitment to investing in the next generation of skilled construction professionals.

We also continued to support employee development across, with 8.4% of employees undertaking formal qualifications during the year. 30 employees were promoted during the year, further demonstrating our efforts in supporting growth.



Apprentices welcomed to Tulloch Homes.

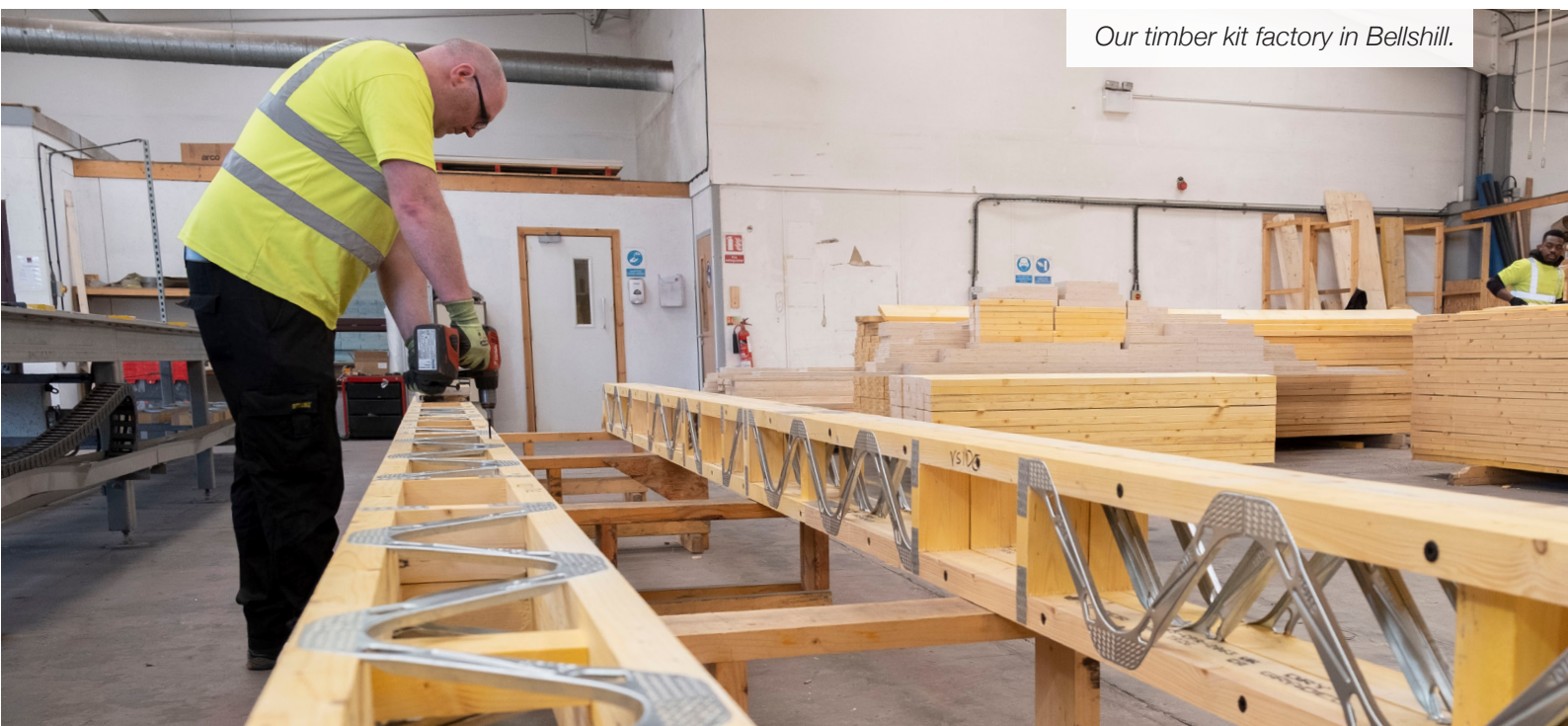
Health & Safety

Creating a safe working environment for employees, subcontractors and visitors remains a fundamental priority.

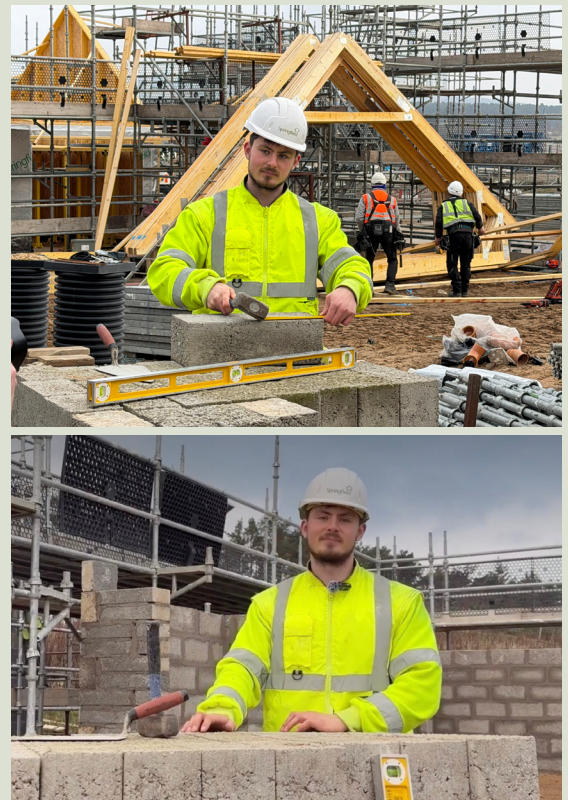
Our Accident Incidence Rate reduced significantly during the year, falling from 778 to 512. We also

recorded a reduction in RIDDOR-reportable incidents, which decreased from nine to six.

While we remain focused on continuous improvement, these results demonstrate the positive impact of our ongoing commitment to health, safety and wellbeing across the Group.



Our timber kit factory in Bellshill.



Apprentice Joiner, Dean Murdoch, receiving his Homes for Scotland One to Watch award from Sir Chris Hoy.

Investing in Future Talent: Dean Murdoch

At Springfield, investing in apprenticeships is central to building a sustainable future workforce and supporting the long-term success of Scotland's construction industry.

Apprentice bricklayer Dean Murdoch is a standout example of the impact this commitment can have. Throughout his three-year apprenticeship, Dean became the first Springfield apprentice to win an award in every year of his training at the UHI Moray Construction Prize Giving:

- 2023 – All Round Progress in Brickwork
- 2024 – Best Practical Bricklayer
- 2025 – Best All-Round Brickwork Apprentice

Adding to this remarkable

achievement, Dean was also named the inaugural winner of the Homes for Scotland “One to Watch” Award, presented by Sir Chris Hoy at the Homes for Scotland Annual Lunch in Edinburgh. The accolade recognised Dean as one of the most promising emerging talents in the homebuilding sector and marked his fourth award during his apprenticeship.

Beyond his success on site, Dean has contributed to Springfield's wider apprenticeship programme as an Apprentice Employee Representative, helping support new apprentices and assisting with the company's Apprentice Open Day.

Dean credits his development to the opportunity to learn from experienced colleagues

across the business and gain hands-on experience in different environments.

His achievements demonstrate the value of Springfield's apprenticeship programme in developing highly skilled tradespeople, creating meaningful career opportunities and helping address industry skills shortages. By investing in apprenticeships, Springfield is not only supporting individual career development but also building a skilled, resilient workforce for the future.

Dean's success highlights how nurturing talent, providing quality training and creating clear career pathways can deliver lasting benefits for employees, the business and the communities in which Springfield operates.

Supporting sports that matter locally

Springfield is committed to supporting young people to achieve their full potential, both within the communities where it builds homes and beyond.

As part of this commitment, the Group sponsors rising Highland golfer Fraser Brown, helping to create opportunities for the talented young athlete to continue his development in the sport. This extends our support of junior golfers, as we continue to support Summer Elliott, also from the Highlands.

This commitment extends to sports in Scotland. We are proud sponsors of the Shinty Camanachd Cup through our Tulloch brand.

Shinty is a sport that brings communities together, particularly in rural areas of the Highlands. Our partnership with the Shinty, which is in place until 2027 which will mark a full decade of support, is hugely appreciated by the Shinty association and supporters of the sport alike.

Given our close association with the game, following the victory for Newtonmore Shinty Club, the local primary school in the village were looking to inspire the next generation of Shinty players. Keen to support this enthusiasm, each of the 125 pupils at the school received a Shinty ball. The donation reflects the significance of the club's achievement and the strong connection between Shinty and the local community - something Tulloch is proud to encourage.

By supporting Fraser, Summer and other emerging sportspeople and sports, Springfield is helping young people from local communities pursue their goals and reach their full potential.

This is an area we remain committed to and, in the upcoming year, are looking to engage with additional sports to support in some way.



Springfield CEO, Innes Smith with Junior Golfer, Fraser Brown.



Ruari Davidson, Camanachd Association, Chief Executive Officer with Kieran Graham, Tulloch Homes Managing Director at Parks View, Inverness.



Donation of Shinty balls to pupils at Newtonmore Primary.



Cradlehall Primary's' Eco Committee planting pollinators at Drumossie Braes.



Growing Greener Communities

As part of Springfield's commitment to supporting the communities where we build, we donated more than £2,000 in 2026 to seven schools and community organisations across the Highlands and Moray to support gardening, biodiversity and outdoor wellbeing projects.

A standout initiative was our partnership with Cradlehall Primary School's Eco Committee in Inverness. The pupils visited our Drumossie Braes development, where they helped create colourful, pollinator-friendly planting displays outside the KinCraig show home. Working alongside the Springfield team, the pupils planted flowers including lavender, cosmos, salvia and heuchera, helping to encourage biodiversity while learning about the importance of

protecting local ecosystems.

The visit also provided an opportunity for the children to learn more about sustainable housebuilding. During a tour of the show home, they were introduced to features such as air source heat pumps and EV charging infrastructure, while gaining an insight into careers within the construction industry.

To support the school's ongoing environmental projects, Springfield donated £300 to the Eco Committee. The funding will help enhance outdoor learning and food-growing activities that have already played a significant role in the school's achievement of six Green Flag awards.

The Drumossie Braes project reflects Springfield's broader

approach to creating positive social and environmental impact. Alongside supporting Cradlehall Primary School, donations helped fund therapeutic gardening programmes, school growing projects and community garden improvements that encourage learning, wellbeing and social connection.

By investing in outdoor spaces and environmental education, Springfield is helping communities create greener, healthier places where people of all ages can learn, grow and thrive. The partnership with Cradlehall Primary School demonstrates how collaborative community initiatives can foster environmental awareness, inspire future generations and leave a lasting positive legacy beyond the homes we build.



Jacqui O'Rourke, Sales Consultant at Spey Green, Newtonmore.



Santa stopping in to see the children at our Village developments.



Christmas cheer donations to local charities in Dundee and Inverness.



Working with growing communities

Creating thriving communities has always been an important part of our developments, especially within our Villages. While we build homes, we also help create the connections that turn new neighbourhoods into places where people feel they belong.

At Spey Green in Newtonmore, that sense of community began from the moment residents arrived. Tulloch Homes Sales Consultant Jacqui O'Rourke has played a key role in helping neighbours get to know one another, introducing residents with shared interests and helping new arrivals settle in. Those early connections have contributed to a vibrant community, with residents organising social events, supporting local initiatives and

volunteering across the wider area.

Helping communities connect has long been a focus of our larger developments. To help bring people together, we organise seasonal events, family activities and community gatherings to help establish lasting relationships. As these communities have become more established, residents and community groups have increasingly taken ownership of these events, adapting and growing them into activities that reflect their own interests and aspirations.

A great example is at Bertha Park in Perth, where our annual Santa visit inspired residents to create their own Christmas market. Supported by local businesses and volunteers,

the event welcomed more than 115 children and has become a community-led tradition, complete with Christmas crafts, demonstrating how residents have embraced and strengthened the community spirit we helped establish.

The communities we help create also play an important role in supporting those around them. Through our Christmas Cheer initiative, residents from our larger developments nominated local charities that mattered to them, with seven organisations receiving a total of £3,500 in funding. The heartfelt nominations highlighted the strong connections our customers have with their local communities and helped us identify additional opportunities to offer support.

A green flag with the Springfield logo and '.co.uk' is flying against a blue sky with light clouds. The word 'Springfield' is written in a large, white, cursive font, and '.co.uk' is in a smaller, white, sans-serif font to its right.

Governance

ESG Governance

ESG governance remains embedded within Springfield's Board structure, with our ESG Committee, led by Chief Executive Innes Smith, continuing to oversee the delivery of our ESG strategy, monitor performance against key objectives and review emerging sustainability-related risks and opportunities. Colin Rae, Non-Executive Director, continues to provide strategic oversight and challenge, ensuring ESG considerations remain integrated into decision-making across the business.

During the year, we further strengthened our ESG governance framework through the creation of an ESG Operational Committee. Established to broaden engagement across the business and drive continuous improvement, the committee brings together representatives from key operational functions to identify opportunities, share best practice and develop proposals before they are considered by the Board-level ESG Committee.

The Operational Committee held its first meeting in August 2026 and is chaired by the Group Corporate Communications Director. Membership includes senior representatives from the Group's SHEQ, Commercial, Design and HR functions, ensuring a cross-functional approach to ESG delivery and embedding sustainability considerations into day-to-day business operations.

The introduction of the committee reflects Springfield's commitment to ensuring ESG is not only governed at Board level but is also actively embedded throughout the organisation, enabling colleagues from across the business to contribute to the development and implementation of ESG initiatives.

Taskforce on Climate Related Financial Disclosures (TCFD)

This year we have published our fourth TCFD disclosure within our Annual Report and Accounts for the year ended 31 May 2026. Our TCFD disclosure can be viewed within our Annual Report published on the Springfield Group website:

<https://www.thespringfieldgroup.co.uk/latest/results-reports>

The disclosure outlines Springfield's approach to climate-related governance, strategy, risk management, and climate-related metrics and targets, helping stakeholders understand how climate-related risks and opportunities are considered across the business.

Looking Ahead: Objectives for 2026/27

During financial year 2026/27, Springfield will continue to focus on practical initiatives that deliver meaningful environmental and social outcomes across the Group. Our priorities are to:



Reduce Reliance on Temporary Diesel Generation

Investigate opportunities to reduce the environmental and operational impacts associated with temporary diesel generators by improving understanding of grid connection delays and exploring alternative power solutions where appropriate.



Improve Efficiency Through Technology

Expand the use of drone technology across the Group to support planning, surveying and operational activities, while increasing the number of trained and licensed drone operators within the business to reduce repeat travel to remote sites.



Reduce Construction Waste

Continue to identify opportunities to reduce construction waste and improve resource efficiency, building on work to better understand waste generation and support targeted reduction initiatives.



Progress Decarbonisation of Operations

Advance the business case for further zero carbon improvements at the Level Timber Frame factory, supporting the long-term sustainability of our manufacturing operations.



Support future talent

Encourage and expand opportunities for young people across Scotland through work experience, mentoring, apprenticeships, school engagement, and employability initiatives, supporting the development of skills, confidence, and future career pathways.



Support Biodiversity

Engage with NatureScot to help shape the development of a practical biodiversity measurement framework in Scotland that reflects the needs of the sector and the characteristics of local environments.



Strengthen Community Engagement

Develop a more structured approach to community engagement, ensuring local needs, stakeholders, schools and community organisations are understood and considered when Springfield enters new areas.



Quality Homes • Sustainable Communities