



CAVANNA HOMES 100 YEARS
BUILDING BRILLIANCE 1923-2023

| OUR SUSTAINABILITY STRATEGY |
2022-2030

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A WORD FROM OUR MD

I am thrilled to present our new sustainability strategy, a roadmap that reflects our commitment to shaping a better future.

As a leading house builder, we understand the profound impact we have on the environment, communities, and society.

Our new strategy, developed through extensive research and understanding of emerging priorities, sets the course for the next 5 years.

Sustainability is not just a part of our mission; it is at the core of everything we do.

We take this responsibility seriously, and our strategy outlines clear targets and actions to achieve them.

Our vision extends beyond constructing homes – we aim to be a model for the construction industry, showcasing that sustainable practices are not just a choice but a fundamental responsibility.

I extend my gratitude to our dedicated team, partners, and stakeholders for their unwavering support on this journey towards a more sustainable future.

Together, we can build homes that provide shelter while positively contributing to the well-being of our planet and society.



A handwritten signature in black ink, appearing to read 'Grayham Tucker'.

Grayham Tucker
Managing Director

ABOUT CAVANNA HOMES - OUR BUSINESS

Cavanna Homes is a South West based family homebuilder, founded in Torquay over 100 years ago. The company remains dedicated to building brilliance and true to the family ethos which is the foundation of the firm's success.

Established in 1923 in Torbay by Philip D Cavanna and his brother, Ray, the company has grown to become one of the largest independent housebuilders in the South West, regularly and consistently achieving 5 star status in the New Home Customer Satisfaction Survey.

It remains committed to following the family values established by its founders, conducting business in a determined, considered and considerate manner that it's founders and their Cavanna family successors would instinctively recognise and support.

In the past 30 years Cavanna Homes has appointed a team of house-building professionals to senior positions but retains family shareholders and a strong family business ethos, through the adoption of 'The Cavanna Way' – a statement of the company's values, aims and objectives.

Central to those values is Cavanna Homes' commitment to building high quality, beautiful and practical properties for first time buyers, families and downsizers in locations across Cornwall, Devon, Somerset and Dorset, including affordable homes and homes for rent through housing associations and other providers.

Cavanna Homes properties match, not just the aspirations of buyers, but enhance communities, delivering for all.

Cavanna Homes strives to be a company whose employees, shareholders, customers, business partners and the communities where they build can be proud of; a company that is successful, safe and customer focused, producing quality products and remaining socially engaged.

Land is acquired within a two-hour drive of our Torquay headquarters, ensuring that Cavanna Homes' head office staff are always within easy reach of a development, allowing for a hands on approach.

We are confident that we can say to landowners, planners and the communities in which we build, that we will always do what we promise.



ABOUT CAVANNA HOMES - OUR BUSINESS



A family-owned business, committed to its family values; building the right homes in the right place for the right reasons.



Building quality homes for more than a century, conducting business in a determined, considered and considerate manner.



Torquay based, acquiring and developing sites in Devon, Cornwall, Somerset and Dorset and delivering for home buyers and the existing communities.



Regularly achieving 5-star status in the New Home Customer Satisfaction Survey.

“Our vision at Cavanna Homes is to become the most admired regional housebuilder in the South West. We strive to achieve this through our product design, innovation and build quality, whilst maintaining the trust and respect of our customers and the local communities around our developments.

We aim to be a company whose employees, shareholders, customers, business partners and the community can be proud to be associated with”.

ABOUT CAVANNA HOMES - OUR HISTORY

Philip D Cavanna and his brother, Ray, arrived in Torbay in 1923 with £200 – Philip's life-savings – to set up a plastering business. They were successful and the following year their families joined them to live in homes built by the brothers in Laura Grove, Paignton.

As Ray continued to build up the plastering business, Philip moved into general contracting and house-building, establishing PD Cavanna, recruiting staff locally and trading under the slogan “Builders of Repute.”

Long established in premises at Higher Union Street, Torquay, the company moved to its present headquarters at Riviera Park, The Willows, in 2005. There were financial difficulties through the depression of the 1930s, overcome thanks to the careful financial management of PD's wife, Mona.

During the Second World War PD Cavanna led the Torbay Builders Federation, which carried out repairs to buildings damaged in bombing raids on Exeter and Plymouth.

For a time, post-war, PD Cavanna restarted the contracting side of the business to continue with re-building work, before returning to house-building full time as the nation's need for new homes grew.

In 1949 the next generation of the Cavanna family joined the business with PD's sons Patrick and Tony coming on board, later joined by a third son, Paul and brother-in-law Bill Drummond. They became the next generation to run the company, although PD's influence continued to be felt, right up to his death at the age of 93 in 1983.

Challenges for the business came during the 1970s and 80s, with global recessions and the energy crisis but bold decisions, including the acquisition of the Scotts Bridge site in Torquay and the eventual successful application for planning permission, saw the creation of 900 new homes on the site, now known as The Willows.

By the late 80s the next generation of the Cavanna family, Jeremy, Martin and Jonathan Cavanna joined the business and took the helm. Fourth generation family members, Robert Cavanna and Ben Rowntree continue to play an active role within the business today.

In 2017 Keith Miller succeeded Jeremy Cavanna as Group Managing Director, marking another stage in the succession plan for the company. Grayham Tucker succeeded Keith Miller as Group Managing Director in 2023.

Keith Miller became Deputy Chairman until June 2023 when he formally took over from Jeremy Cavanna as Group Chairman. This marked the completion of a ten-year plan to appoint house-building professionals into key roles in the business, while retaining Cavanna family members as shareholders and non-executive directors.

Today the Cavanna Homes Group is wholly owned by five generations of the family, made up of 55 family shareholders, led by a team of talented and expert housebuilding professionals that have helped it achieve consistent 5-star awards in the New Home Customer Satisfaction Survey, as well as a number of other prestigious housebuilder awards.



ABOUT CAVANNA HOMES - OUR HISTORY



Founders PD and Ray Cavanna set up the business with a £200 investment in 1923.



Careful financial management has seen the business survive challenging times.



Bold decisions on land acquisition helped to grow the business.



Succession planning has seen a transition from management by the family to the appointment of house-building specialists, but with a consistent application of the family business ethos and continued family ownership.

1923



Philip Dennis (PD) Cavanna set up a plastering business along with younger brother Ray



PD and Ray build their first two homes at Laura Grove, Paignton for their families



PD Cavanna Ltd formed. PD is joined by his sons and then also by his son-in-law



PD Cavanna and the Chairman of the Joint Apprenticeship Committee organised a brick laying competition for apprentices

1930



August bank holiday Company outing, get togethers have always been important



PD Cavanna goes it alone and sets up new HQ at 300 Union St Torquay, as a general contractor and house builder



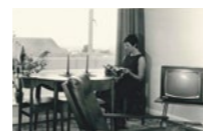
CAVANNA BUILD
House built on Hennapyn Road, Torquay for Royal Navy Commander, Lucas

1940

HOUSE BUILDING STOPS DURING WWII

PD leads BOMB DAMAGE REPAIR UNIT in Plymouth and Exeter 1940-1948

Cavanna operates as house builder and contractor despite lack of labour and supplies

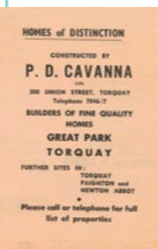


CAVANNA BUILD
Ilisham Road, Torquay. Paul Cavanna's van is parked outside



CAVANNA BUILD
Ventor houses Padacre Road, Torquay

1960



CAVANNA BUILD
Swallowfield Rise, Torquay



CAVANNA HOMES
A family business established in 1923
Seahorse logo is created

THE COMPANY SHRINKS following the recession

1983 Cavanna Homes Founder PD Cavanna Dies at the age of 93

9 HOMES SOLD

1980

33 HOMES SOLD

50 YEARS

117 HOMES SOLD

1970

57 HOMES SOLD



Second wave of third generation join the company. Jeremy, Martin and Jonathan Cavanna. They were actively encouraged to take the helm



CELEBRATING 50 YEARS

Boards of directors commemorative photo. PD Cavanna, Tony Cavanna, Pat Cavanna, Bill Drummond and Paul Cavanna. First wave of third generation join the family. Oil Crisis and recession hits. The recession meant business changed and the company started using subcontractors instead of in-house tradesmen

1990

28 HOMES SOLD



CELEBRATING 70 YEARS

Photo taken in the first show home at Richmond Park on the Scotts Bridge land



CAVANNA BUILD
Palstone Meadow, South Brent



CAVANNA BUILD
Primrose Hill, Torquay

2000

110 HOMES SOLD

Cavanna Home HQ relocated to Nicholson Road, Torquay



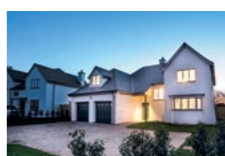
Cavanna Homes wins the HBF 5 star award as it celebrates its 90th anniversary



6th Successive year winning the HBF 5 star award



New corporate identity and rebranding of the company logo



CAVANNA BUILD
Wolborough Hill, Newton Abbot

2010

168 HOMES SOLD



CAVANNA BUILD
#8, Plymouth

Fourth generation joins the company. Michael Cavanna, Ben Rowntree and Robert Cavanna

247 HOMES SOLD



Keith Miller becomes Managing Director and a driving force to continue Cavanna's growth



winner of housebuilder awards 2019
This is the equivalent of the Oscars for Housebuilding! A national competition so a prestigious win, two in a row.

2020

2022



Our vision for the future is to become the most admired regional house builder in the South West. We aim to achieve this through our product design, innovation and build quality, whilst maintaining the trust and respect of our customers and the local communities around our developments.

STRATEGIC REPORT - OUR APPROACH

Our sustainability strategy covers all aspects of our business operations. Clearly setting out medium and longer-term targets, ensuring that we remain transparent and accountable to our commitments.

Stakeholder Input

In order to comprehensively understand our business priorities, we undertook a risk-based materiality assessment that considered stakeholder input and external expertise. This ensured the relevance and appropriateness of our new sustainability strategy for our business.

We made a concerted effort to consider both the present and future needs of our diverse stakeholders. Engaging in extensive consultations with our Board, the Cavanna family, and our dedicated employees.

We considered the evolving legislative landscape and sought to understand the perspectives and attitudes of our stakeholders - including our customers, partners and supply chain.

This process ensured the comprehensive capture of key information but also facilitated transparent communication, fostering genuine collaboration from the outset.

In line with our mission statement, we have established three pillars, which cover our priority areas. This is detailed in the diagram on the next page.

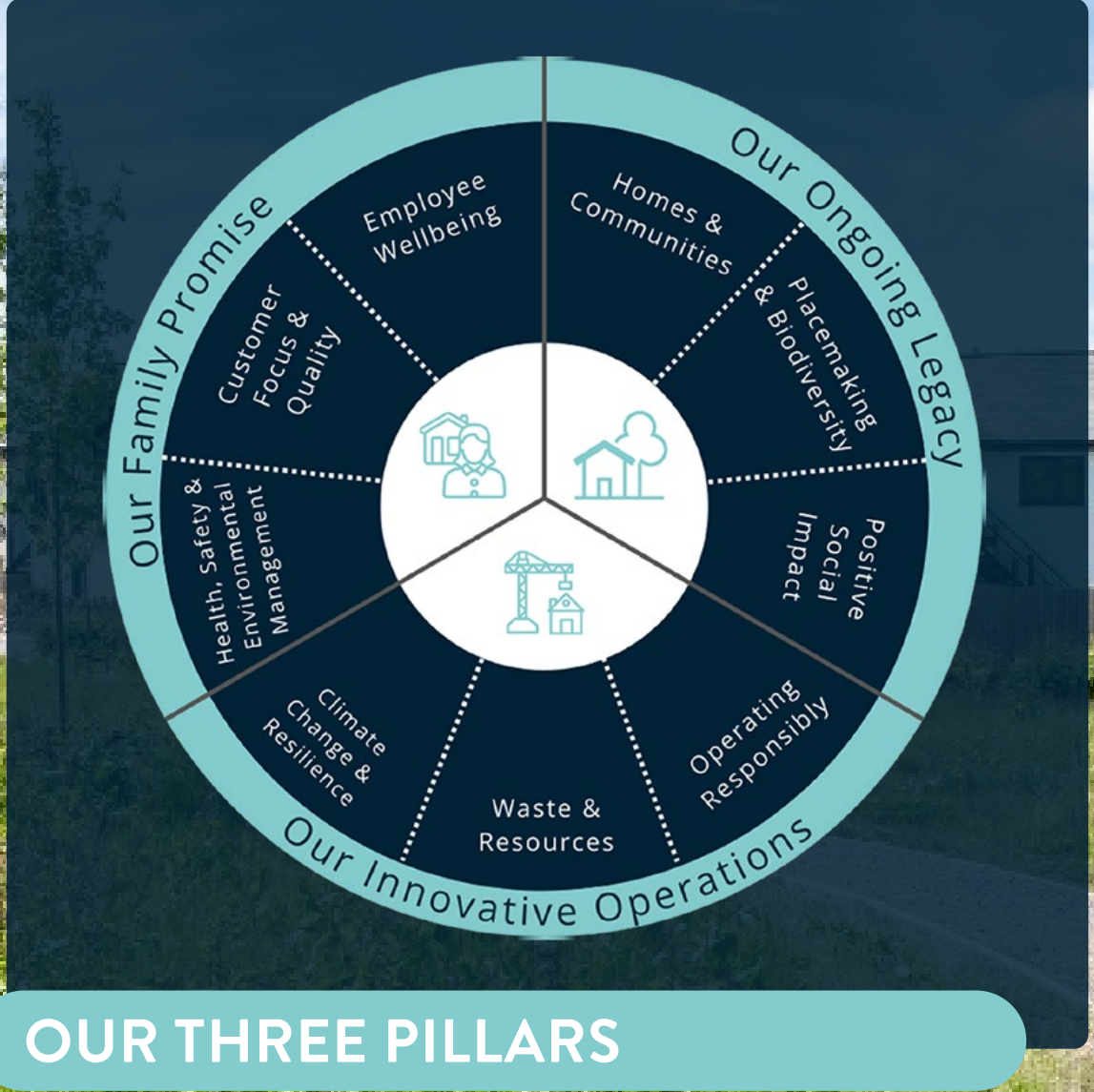
All of our targets within this strategy document have been set against a baseline of our 2022 financial year.

We commit to publishing our annual performance measuring our progress against.

As we embark on this transformative journey, we have developed a visionary dynamic roadmap for continual improvement.

In addition, we understand that true sustainability is an ongoing process, and our strategy reflects our dedication to adapt, innovate, and contribute positively to both our business and the broader community.





OUR ROADMAP - OUR FAMILY PROMISE



At the heart of our business lies 'Our Family Promise,' a commitment to the well-being of our extended family—our dedicated employees, valued customers, and the communities that we serve.

With over a century-long legacy, we recognise the enduring impact of every decision that we make. This pillar is a compass guiding us towards unwavering dedication to employee well-being, exceptional customer service, unparalleled quality, and top-notch health and safety performance.

Together, we shape a legacy that goes beyond profits, echoing the values of a family business that stands the test of time.

OUR ROADMAP - OUR FAMILY PROMISE

EMPLOYEE WELLBEING

We understand and recognise that a dedicated and enthusiastic workforce is crucial for our business to operate.

Communication and Engagement

We actively seek to understand our employees' perspectives, working to create a supportive atmosphere that nurtures their growth. Our commitment extends to constructing an inclusive and compassionate workplace, where each individual is valued, fostering a sense of belonging.

In this spirit, our employees actively contributed to and were involved in shaping our strategy.

As at November 2022, Cavanna Homes employed 110 people with a voluntary turnover rate of 28.2% and we seek to ensure this remains under 20%. However, we recognise the challenge our industry has with an aging demographic and retirement rates.

We have set our sights on hiring a dedicated People and Culture Manager by 2025. This addition will drive our People Strategy, ensuring Cavanna Homes remains a brilliant place to work.

Diversity and Inclusion

In our baseline year, the average age of our employees was 48. While the gender split was 72% male and 28% female, we acknowledge the need for improvement, particularly at the leadership level.

| | Total | M % | F % |
|----------------------|-------|-------|-------|
| BOARD | 7 | 100% | 0% |
| SMT/DIRECTORS | 5 | 100% | 0% |
| HEADS OF DEPT | 8 | 62.5% | 37.5% |
| OTHER | 90 | 69% | 31% |
| TOTAL | 110 | 72% | 2% |

Training and Development

Demonstrating our commitment to continuous learning, we funded approximately 88 separate training courses throughout the year, covering areas such as Fire Marshall, SMSTS, and First Aid.

Additionally, we take pride in supporting our future workforce, with 9 apprentices during our baseline year.

We are committed to reviewing essential requirements for each job role across the organisation and starting to track current professional memberships and qualifications by 2025.

Financial Wellbeing

We are committed to supporting our employees financial wellbeing and are launching a programme with Maji to support our people and provide guidance and support. In addition to this we will be undertaking a benefits review.

Mental Health

Recognising the significance of mental health in the construction industry, we are proactive in creating a supportive environment.

In our baseline year, we had 4 trained mental health first aiders—one for every 27.5 employees.

Our goal is to increase this network, with 1 mental health first aider for every 12 employees by 2025. We will also ensure that by 2030 all managers of people will have a toolkit that includes mental health support.

At Cavanna Homes, our commitment to our workforce goes beyond the homes we build—it's about fostering an environment where individuals can thrive, grow, and find fulfilment in their professional journey.



OUR TARGETS

Employee Wellbeing

Track employee training spend via COINS to enable more accurate reporting by 2025

Review of essential requirements for each job role across the organisation (and start to track current professional memberships/qualifications) by 2025

Increase Mental Health First Aiders to 1 per 12 employees by 2025

Launch a financial wellbeing programme and undertake a benefits review by 2025

Hire a 'People and Culture Manager' and implement a people strategy by 2025

Maintain a voluntary turnover rate of less than 20% from 2025 and beyond

Identifying and satisfying training needs for our people as agreed in our performance review process by 2030

Contribute to employee our professional memberships by 2030

All managers of people will have a toolkit that includes mental health support by 2030

OUR ROADMAP - OUR FAMILY PROMISE

CUSTOMER FOCUS & QUALITY

We take pride in our track record, consistently delivering high-quality homes for local residents. Holding an above 4-star status with the HBF for 8 consecutive years, our goal is to consistently maintain a five-star status.

Cavanna Homes Customer Charter

During our baseline year (2021/2022), with the aid of our 'Cavanna Homes Customer Charter' we welcomed 148 customers into their new homes, and aim to increase this year-on-year.

This charter is our promise, to our customers and compliments our online home-owner guides, customer service team (with 2-year customer care backup).

Quality Management

To underscore our commitment to quality, we are targeting to establish an ISO 9001 compliant quality management system by 2030.

Our unwavering dedication to customer satisfaction extends beyond delivering homes - curating experiences that resonate, creating spaces where memories are made, and continually evolving to meet and exceed the expectations of those who choose Cavanna Homes.

We are pleased that our high quality schemes earn recognition in regional awards with our Kings Orchard housing development being crowned the best in the South West at the Local Authority Building Control (LABC) Building Excellence Awards 2022.



OUR TARGETS

Customer Focus & Quality

Achieve and maintain a five-star housebuilder status

To have a minimum controlled pipeline of 4 years of current year turnover by 2025

Measure our customer demographic to ensure the business is placed well to service the communities in which we work by 2025

To have a minimum controlled pipeline of 5 years of current year turnover by 2030

Establish an ISO9001 compliant quality management system by 2030

OUR ROADMAP - OUR FAMILY PROMISE

HEALTH, SAFETY & ENVIRONMENTAL MANAGEMENT

The safety of our people and those who work on our sites is of paramount importance to us.

Leadership & Management

Richard Henderson, our dedicated 'Head of Health and Safety,' oversees Health, Safety, and Environmental Management on our projects. He collaborates closely with James Stride, our Director of Construction, to implement and adhere to safe systems of work.

Monthly Health and Safety audits are conducted on all our sites, with results promptly reported to the Senior Leadership Team (SLT). Our audit pass rate for our baseline year was set at 78% with sites achieving on average 82%.

To reinforce our dedication, we've set a goal for all new developments to be registered with the Considerate Constructor Scheme by 2025. This initiative not only supports our health

and safety objectives but also highlights our focus on fostering positive community relationships and promoting environmental stewardship.

Employee Training and Engagement

Investing in our greatest asset, our people, we prioritise comprehensive training programs to enhance awareness and skills related to health and safety.

Regular engagement sessions, feedback and continuous learning opportunities contribute to a safety-conscious culture that extends beyond our sites.

Future Health, Safety and Environmental Priorities

Moving forward, our objective is to implement processes and procedures compliant with ISO14001 and ISO45001 by 2030, ensuring the highest standards are upheld.

Our strategy is centered on continuous improvement, nurturing a culture of innovation and learning that positions us as leaders in industry best practices.

Accident Incident Rate (AIR) and Accident Frequency Rate (AFR)

We consistently strive to minimise risks, aiming to keep our Accident Incident Rate (AIR) below the industry standard of 239 (HBF Statistics 2021/2022).

In our baseline year, our AIR was an impressive 89.13, and our Accident Frequency Rate (AFR) was 4.57.

Service Strike Incident Rate (SSIR)

Acknowledging the industry-wide focus on service strikes, we are committed to robustly documenting these incidents.

This information will be included in our annual progress reports, aligning with HBF's call for members to share statistics on service strike incidents.

| Baseline year H&S Stats | |
|-------------------------|------|
| AIR* | 8.91 |
| AFR** | 0.46 |
| SSIR | N/A |

* AIR calculations in this table are based on number of reportable accidents divided by number of people on site x 1000

**AFR calculations in this table are based on number of reportable accidents divided by the employee hours worked on site x 100,000.



OUR TARGETS

Health, Safety & Environmental Management

All sites to achieve site audit pass rate of above 80%

Register all new sites with CCS by 2025

Maintain an AIR below industry standards

Report a SSIR figure

Install a defibrillator at our Head Office and across each of our sites (gifting to the local community upon site completion) by 2025

Establish an ISO14001 and 45001 compliant processes and procedures by 2030

OUR ROADMAP - OUR ONGOING LEGACY



Our Ongoing Legacy, our second pillar, underscores our commitment to the enduring impact of our decisions on future generations.

As stewards of a family-owned business with over a century of history, we recognise the gravity of our choices. From the thoughtful designs and placemaking of our development sites to the intentional social value woven into the fabric of the communities we touch, we aim to forge a legacy that stands the test of time

Every decision is a deliberate step towards building a sustainable, meaningful, and lasting imprint. For us, as a family business, the preservation and enhancement of our legacy are paramount, guiding our every move in shaping a future we can be proud to pass on.

OUR ROADMAP - OUR ONGOING LEGACY

HOMES & COMMUNITIES

As housebuilders, the homes and communities we establish constitute the primary elements of our lasting legacy.

In our baseline year (FY 2022) we contributed a total of £1,396,054 in Section 106 payments and £1,696,632 in Community Infrastructure Levy (CIL) payments.

These contributions reflect the scale of impact we have in supporting and enhancing the areas where we operate.

Affordable Home Completions

Addressing the significant housing crisis in the South West, where the demand for affordable housing is crucial, is a key responsibility for us.

In our baseline year (FY 2022), only 2 out of 148 homes were affordable.

Cavanna Homes will continue to satisfy the planning obligations in regard to Affordable Housing Targets.

Housing Mix

Crafting homes and developments that cater to diverse needs is our commitment as a responsible developer. This involves offering a variety of house types, sizes, and prices to align with the specific needs of the local community.

Community Engagement

We actively collaborate with and listen to the local community, building relationships that enable us to understand the unique needs of the community we're a part of.

Our goal is to go beyond mere compliance with regulatory standards. We strive to create projects that authentically reflect and enhance the local identity, contributing positively to the distinctive character of the communities we are privileged to serve.

SAP Ratings

While we acknowledge that SAP ratings do not offer a fully comprehensive perspective, they do currently serve as a valuable tool to benchmark efficiency and performance for the benefit of our customers and partners.

Our average SAP rating for FY 2022 stood at 85.3, with 11% of our homes achieving an A rating, 88% attaining a B rating and 1% at a C rating.

We aim to be achieving a minimum SAP ratings of a B (equivalent to 2022 methodology) by 2025 and an A by 2030.

Alternative Heat Sources

A notable portion of our carbon footprint arises from the usage of our sold products, largely impacted by the heating methods employed in our homes.

This is not only a critical consideration for our open-market customers but also holds importance for our affordable housing partners.

In our baseline year 35% of the homes we built utilised non-gas heating, incorporating Air Source Heat Pumps (ASHP) and district heating networks (a combination of community heating schemes and biomass).

Our ongoing target is to increase this percentage each year, with the ultimate goal of constructing no gas-heated homes by 2026.



Homes & Communities

Achieve a minimum SAP rating of a B (equivalent to 2022 methodology) by 2025

Achieve minimum SAP rating of an A (equivalent to 2022 methodology) by 2030

Delivering no mains gas heated homes by 2026

Continue to satisfy the planning obligation in regard to Affordable Housing

OUR ROADMAP - OUR ONGOING LEGACY

PLACEMAKING & BIODIVERSITY

Closely linked to Homes & Communities, the placemaking and biodiversity of our developments need to harmonise with the local community's needs, in addition to meeting required planning requirements and legislation.

Biodiversity Net Gain (BNG)

Cavanna Homes and our employees have been closely monitoring the evolving biodiversity net gain regulations.

We are committed to incorporating a net positive environmental impact into our developments as part of our standard practice and eagerly embrace a more formal approach.

We have long standing relationships with ecologists who are assisting in navigating these new requirements ensure we consider how to design in from the outset.

Regardless of regulatory progress we will ensure that by 2025 all of our new developments will adhere to and implement a Biodiversity Enhancement Strategy, capturing site requirements at the project's outset and ensuring continuous consideration throughout all stages.



Additionally we will ensure that all new developments from 2025 onwards will deliver a minimum of 10% biodiversity net gain.

Wildlife Enhancements

Hand in hand with biodiversity net gain, we are dedicated to implementing wildlife enhancements in all our developments. This involves creating and maintaining habitats that support local wildlife, including native flora and fauna.

By 2025, and incorporated in the Biodiversity Enhancement Strategy we will ensure that all new developments establish dedicated areas to create diverse habitats, promoting local wildlife.

Sustainable Urban Drainage

As a standard practice, we aim to incorporate sustainable urban drainage solutions into our developments wherever viable.

This involves utilising implementing environmentally friendly techniques such as permeable pavements and natural soakaways.



Placemaking & Biodiversity

Implement a Biodiversity Enhancement Strategy on all new developments by 2025

Ensure all new developments establish dedicated areas to create diverse habitat and promote local wildlife by 2025

Deliver a minimum of 10% Biodiversity Net Gain on all developments from 2025 onwards

OUR ROADMAP - OUR ONGOING LEGACY



POSITIVE SOCIAL IMPACT

Charity Contributions

In our baseline year FY 2022 we demonstrated our commitment to social impact by contributing £23,439 to various charitable causes, including organisations like Children’s Hospice South West and Rowcroft Hospice. This equates to £213 per employee.

While this achievement is noteworthy, our commitment remains steadfast, with a pledge to elevate our charity contributions to £350 per employee by 2025 and £500 per employee by 2030. This forward-looking target aligns with our dedication to making a more substantial and sustained impact in the communities we serve.

Quantifiable Social Value

Cavanaugh Homes has a long-standing commitment to delivering social value.

However, our focus is now on quantifying these efforts through the lens of a recognised framework. By 2025 we will track and monitor our positive social impact for one new development, against the National Themes Outcomes and Measures Framework (TOMs), with a view to expanding this scope in the future.

This reflects our dedication to transparency, ensuring our contributions are not only meaningful but also measured against established benchmarks.

Volunteering Days

Fostering a culture where our team members can actively engage in causes they are passionate about holds great significance for us. To empower our people, we provide each of them with one paid volunteering day annually.

Although historically the tracking of such efforts has not taken place, our goal for 2025 is to implement a system that captures our collective volunteering initiatives.

By 2030, we are targetting for 90% of our people to be taking one volunteering day per year.



Positive Social Impact

Track and report against our volunteering days by 2025

Achieve a charity contribution of £350 per employee by 2025

Track and monitor our social impact against the TOMs framework on one new development by 2025

Look to implement TOMs reporting across all large/relevant sites by 2030

Ensure 90% of our people take one volunteering day per year (individual or group organised) by 2030

Achieve a charity contribution of £500 per employee by 2030

OUR ROADMAP - OUR INNOVATE OPERATIONS



In pursuit of excellence, 'Our Innovative Operations' stands as our third pillar, a testament to our commitment to operational ingenuity.

We recognise that the impact of our operations extends far beyond our immediate surroundings. With a keen focus on innovation, we strive to not only meet but exceed industry standards, ensuring that every facet of our operations leaves a positive mark.

From sustainable practices to technological advancements, we embrace the evolving landscape, paving the way for responsible and forward-thinking operations that make a lasting impact on our industry and the world at large.

OUR ROADMAP - OUR INNOVATIVE OPERATIONS

OPERATING RESPONSIBLY

Modern Slavery

We recognise that modern slavery can occur in the construction industry and we are committed to working towards eliminating this.

We publish a yearly modern slavery and human trafficking statement in line with section 54(1) of the Modern Slavery Act 2015.

We understand that Modern Slavery risk is not static, and we will continue to monitor our approach to mitigating this risk in the year ahead.

In order to assess the effectiveness of the measures taken to minimise the risk of Modern Slavery we will keep our practices and procedures under review.

Risk and Audit Committee

To bolster our commitment to operating responsibly, we recognise the significance of implementing a Risk and Audit Committee.

This committee will meet quarterly with representatives from the board.

It will play an important role in identifying, assessing, and mitigating risks across our operations, ensuring the highest standards of ethical conduct. We have set a target for this committee to be measuring their success against the terms of reference by 2025.

Procurement

Our supply chain partners play a pivotal role in supporting our business to effectively manage our strategy and sustainability performance.

By 2025 we will create a Sustainable Procurement Policy, setting out our commitment to responsible procurement. By 2030 we will have established KPI's to measure the effectiveness of this policy.

As we develop our Sustainable Procurement policy, we will actively enhance our supplier and subcontractor setup processes.

Working to incorporate sustainability requirements and streamline information gathering seamlessly into the pre-qualification process.

Collaboration - Supply Chain Sustainability School

Embracing responsibility, we are pledging to become partner members of the Supply Chain Sustainability School (SCSS). Our aim is to foster collective action within the industry.

We are committed to facilitating our supply chain's access to training and resources, engaging them in utilising the school effectively.

Responsible Timber

We are committed to responsible sourcing of timber and seek to utilise only those supply chains in which we have confidence.

Our objective is to procure only Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC) certified timber and timber-derived materials in our operations. By 2025, we will be reporting against the percentage of timber used from FCS and PEFC certified sources.



OUR TARGETS

Operating Responsibly

Report against % of certified timber by 2025

Become a partner members of the Supply Chain Sustainability School (SCSS) by 2025

Creation of a Risk and Assurance Committee to meet quarterly by 2025 and measuring their success against the terms of reference

Create a new Sustainable Procurement Policy by 2025

Introduction of KPI's to measure effectiveness of sustainable procurement policy by 2030

Training on modern slavery and trafficking for all our people

OUR ROADMAP - OUR INNOVATIVE OPERATIONS

WASTE & RESOURCES

Addressing how we manage our waste and resourcing is an important part of our strategy. Reducing our construction waste is a particular area of focus where we can have great impact.

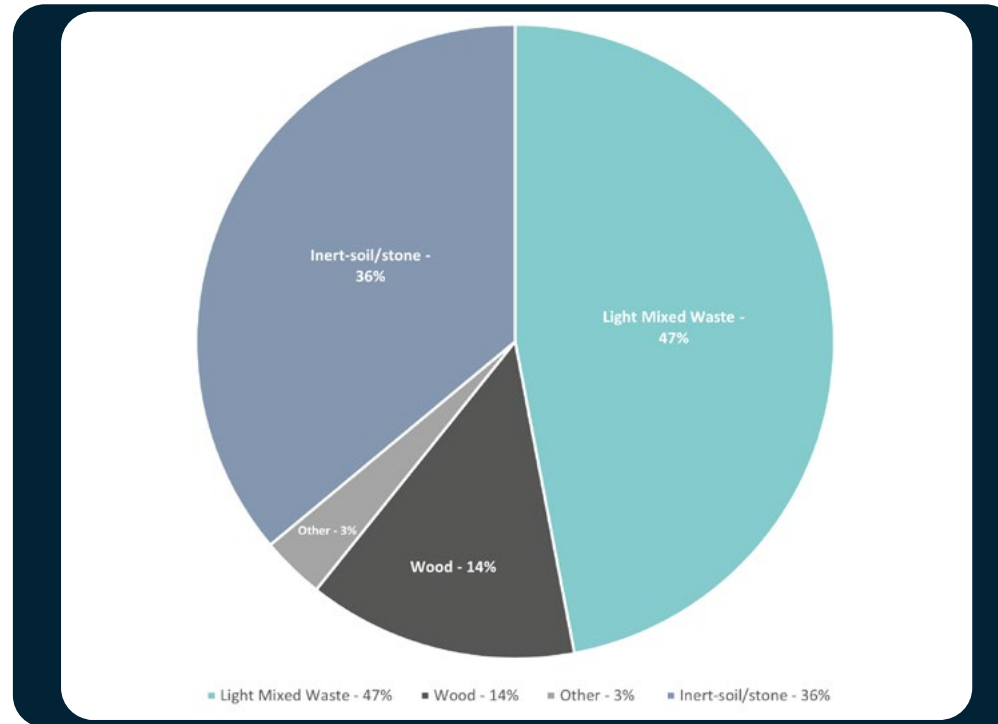
We aim to optimise on-site reuse and collaborate with gradients whenever feasible, constructing split-level units and repurposing materials on-site.

The table below shows our total tonnes of waste per plot and per 100m² for our baseline year FY 2022.

| Total Tonnes | per plot | per 100m ² |
|--------------|----------|-----------------------|
| 1,447 | 9.8 | 8.5 |

To encourage waste reduction and behaviour change, we are committed to:

- Logging our waste streams per site and implementing a league table system
- Reporting monthly against this data in our SLT meetings
- Monitoring and setting interim targets for waste reduction per waste stream
- Supporting schemes such as Community Wood Recycling and Pallet Loop.



90% DIVERSION FROM LANDFILL ACHIEVED IN BASELINE YEAR

The pie chart above illustrates the various waste streams by volume. To effectively address specific waste streams like 'light mixed waste,' a more detailed approach is necessary.

We are dedicated to collaborating with our waste contractors to gain deeper insights and granularity into our site waste data, enabling us to develop a tailored waste management strategy.



OUR TARGETS

Waste and Resources

Log and report site waste totals, by waste stream in the SLT meetings by 2025

Reduce our waste per 100m² by 10% against our baseline by 2025

Reduce our waste per 100m² by 15% against our baseline by 2030

Achieve a 90% diversion from landfill figure

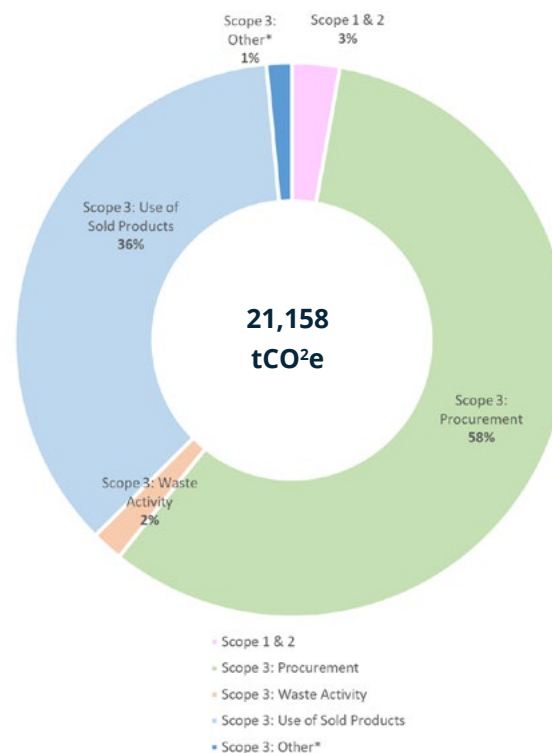
Report figures against wood recycling and recovery programmes by 2025

OUR ROADMAP - OUR INNOVATIVE OPERATIONS

CLIMATE CHANGE & RESILIENCE

Reducing our carbon emissions and increasing our energy efficiency is a key priority. We recognise that we are on a journey, of which the first step is quantifying our carbon footprint. Our baseline carbon footprint has been calculated on an operational control basis. Covering the group's direct emissions, including scope 1, 2 and 3 emissions from our developments, office and depot. Our basis of carbon reporting and methodology can be seen appended to this document.

| EMISSIONS | FY 2021/2022 |
|---|--------------|
| Scope 1 emissions tCO ₂ e | 518 |
| Scope 2 location-based emissions tCO ₂ e | 68 |
| Scope 1 and 2 location-based emissions tCO ₂ e | 586 |
| Scope 3 emissions tCO ₂ e | 20,572 |
| Total Scope 1, 2 and 3 emissions tCO ₂ e | 21,158 |
| Scope 1 and 2 emissions tCO ₂ e per plot FTE | 5.33 |
| Scope 1 and 2 emissions tCO ₂ e per 100m ² completed | 3.85 |
| Scope 1 and 2 emissions tCO ₂ e per £1m turnover | 9.24 |
| Scope 3 emissions tCO ₂ e per FTE completed | 187 |
| Scope 3 emissions tCO ₂ e 100m ² completed | 135 |
| Scope 3 emissions tCO ₂ e per £m turnover | 324 |
| Total Scope 1, 2 and 3 emissions tCO ₂ e per FTE | 192 |
| Total Scope 1, 2 and 3 emissions tCO ₂ e per 100m ² completed | 139 |
| Total Scope 1, 2 and 3 emissions tCO ₂ e per £m turnover | 334 |
| ENERGY CONSUMPTION | |
| Scope 1 energy consumption (kWh) | 656,387 |
| Scope 2 energy consumption (kWh) | 352,792 |



Summary of our carbon baseline

Our scope 1 & 2 total carbon emissions represent just under 3% of our total carbon footprint, with three scope 3 categories representing just under 98% of the total.

These are; use of sold products (36%), procurement; including purchased goods and services and capital goods (58%) and waste activity (2%).

* Other Scope 3 emissions equating to 1% of the total scope 3 emissions are: category 3 - fuel and energy related activities (not included in scope 1 and 2), category 6 - business travel and category 7 - employee commuting (including home working).

** Scope 3, Category 5 - Waste Generated in operations includes water use.



OUR TARGETS

Climate Change & Resilience

Scope 1 and 2, 42% absolute reduction from baseline by 2030

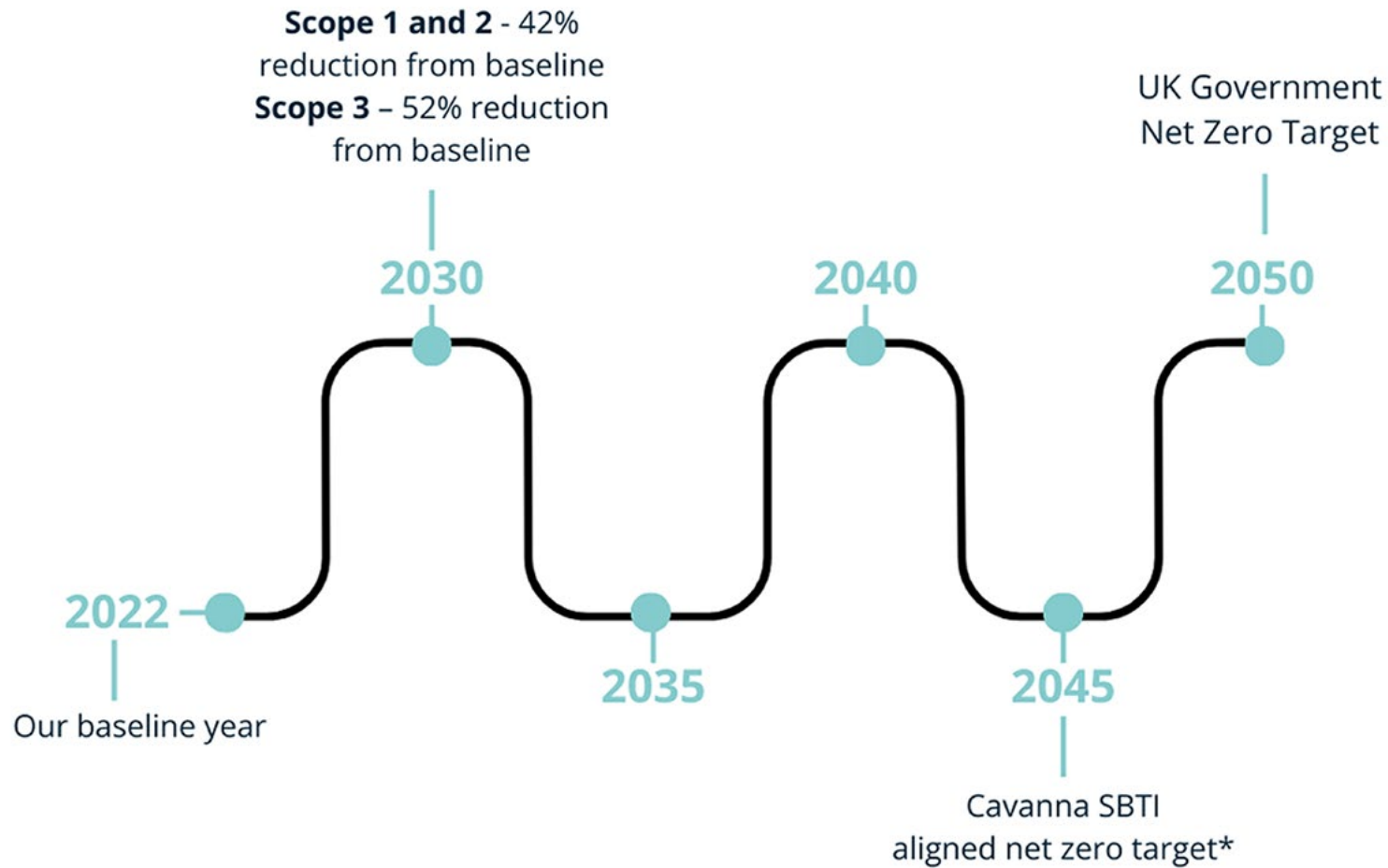
Scope 3, 52% intensity reduction from baseline by 2030

SBTi aligned Net Zero Carbon target by 2045

Report in line with ESOS regulation requirements


OUR ROADMAP - OUR INNOVATIVE OPERATIONS

OUR NET ZERO ROADMAP




*SBTi Aligned Net Zero Targets Scope 1 and 2 - 90% reduction from baseline with residual offset. Scope 3 - 97% per sqm completed floor area.

OUR ROADMAP - OUR TARGETS


| Pillar | Theme | Unit | 2025 | 2030 |
|---|--|--------|---|--|
| Our Family Promise  | Employee Wellbeing | £/FTE | Track employee training spend via coins to enable more accurate reporting | Identifying and satisfying training needs for our people as agreed in our performance review process |
| | | YES/NO | Review of essential requirements for each job role across the organisation (and start to track current professional memberships/qualifications) | Contribute to employee professional memberships |
| | | NO. | Increase Mental health first aiders to 1 per 12 employees | All managers of people will have a toolkit that includes mental health support |
| | | % | Maintain a voluntary turnover rate of better than industry standard but no higher than 20% | |
| | | YES/NO | Launch Financial Wellbeing Programme and undertake a benefits review | |
| | | YES/NO | Hire a 'People and Culture Manager' and implement a People Strategy | |
| | Customer Focus & Quality | NO. | Achieve and maintain a five-star HBF housebuilder status | |
| | | NO. | To have a minimum controlled pipeline of 4 years of current year turnover | To have a minimum controlled pipeline of 5 years of current year turnover |
| | | YES/NO | Measure our customer demographic to ensure the business is placed well to service the communities in which we work | |
| | | YES/NO | | Establish an ISO9001 compliant quality management system |
| | Health, Safety & Environmental Management | % | All sites to achieve site audit pass rate of above 80% | |
| | | YES/NO | Register all new sites with CCS | |
| | | YES/NO | Maintain an AIR below industry standards | |
| | | YES/NO | Report a SSIR figure | |
| | | YES/NO | Install a defibrillator at our Head Office and across each of our sites (gifting to the local community upon site completion) | |
| | | YES/NO | | Establish ISO14001 and ISO45001 compliant processes |

Executive Summary | Strategic Report | Our Roadmap | Appendices

OUR ROADMAP - OUR TARGETS

| Pillar | Theme | Unit | 2025 | 2030 | |
|--|---------------------------------------|--------|--|---|---|
| Our Ongoing Legacy  | Homes & Communities | YES/NO | Continue to satisfy the planning obligations in regard to Affordable Housing Targets. | | |
| | | YES/NO | Delivering no mains gas heated homes by 2026 | | |
| | | YES/NO | Achieve minimum SAP Rating of 'B' across all new homes (equivalent to 2022 methodology) | Achieve minimum SAP rating of 'A' across all new homes (equivalent to 2022 methodology) | |
| | Placemaking & Biodiversity | YES/NO | Ensure all new developments establish dedicated areas to create diverse habitat and promote local wildlife | | |
| | | % | Deliver a minimum of 10% Biodiversity Net Gain on all developments | | |
| | | YES/NO | Implement a Biodiversity Enhancement Strategy on all new Developments | | |
| | Positive Social Impact | YES/NO | Track and report against our volunteering days | | Ensure 90% of our people take one volunteering day per year (individual or group organised) |
| | | YES/NO | Track and monitor our social impact against the TOMs framework on one new development | | Look to implement TOMs reporting across all large/relevant sites |
| | | £/FTE | Charity contribution of £350 per employee | | Charity contribution of £500 per employee |

OUR ROADMAP - OUR TARGETS

| Pillar | Theme | Unit | 2025 | 2030 (& 2045) |
|--|--|------------------------------|---|--|
| <p>Our innovative operations</p>  | Operating Responsibly | % | Report against % of certified timber | |
| | | YES/NO | Become partner members of the Supply Chain Sustainability School (SCSS) | |
| | | YES/NO | Create a Sustainable Procurement Policy | Introduction of KPI's to measure effectiveness of sustainable procurement policy |
| | | YES/NO | Training on modern slavery and trafficking for all our people | |
| | | YES/NO | Creation of a Risk and Assurance Committee to meet quarterly by 2025 and measuring their success against the terms of reference | |
| | Waste & Resources | YES/NO | Log and report site waste totals, by waste stream in the SLT meetings | |
| | | % | Achieve 90% diversion from landfill | |
| | | TONNES PER 100M ² | Reduce our waste per 100m ² by 10% against our baseline | Reduce our waste per 100m ² by 15% against our baseline |
| | | YES/NO | Report figures against wood recycling and recovery programmes | |
| | Climate Change & Resilience | YES/NO | Report in line with ESOS regulation requirements | |
| | | TONNES CO ₂ E | | Reduce scope 1 and 2 emissions by 42% against baseline |
| | | TONNES CO ₂ E | | Reduce scope 3 emissions intensity by 52% against baseline |
| | | TONNES CO ₂ E | | Net zero target - SBTi definition by 2045 |

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APPENDICES

Executive Summary

Strategic Report

Our Roadmap

Appendices

BASIS OF CARBON REPORTING METHODOLOGY

Data collected for the financial year December 2021 to November 2022 was used to baseline Cavanna's carbon footprint. This methodology is aligned with the Greenhouse Gas (GHG) Protocol, and compliant with Streamlined Energy and Carbon Reporting Regulations (SECR) 2019.

Cavanna Homes will continue to report the carbon performance of the organisation for financial year 2023 and will review methodologies annually to ensure that all relevant categories are captured accordingly.

Scope 1 and 2

Scope 1 comprises the direct consumption of fuel in sources owned and controlled by Cavanna Homes, incorporating the consumption of diesel and natural gas in generators and site buildings at construction sites, as well as in show homes and plots. It also involves the use of natural gas in the office and the consumption of diesel and petrol from Cavanna owned vehicles for mobile transport.

Scope 2 includes the indirect emissions associated with the consumption of energy from purchased electricity and district heat on construction sites. This includes street lighting, buildings and show homes and plots. It also involves the electricity consumed in Cavanna Homes owned spaces such as the yard and in the office. Electricity consumption in electric vehicles is also included.

All electricity data is reported on a location-based methodology.

Data Collection

Data was collected through financial information used to support Cavanna Home's SECR with utility usage, fuel usage and expense claims.

Site Utilities: Costs and kWh consumption was extracted from Cavanna Homes' finance systems. For certain gas figures, the units (m³) were converted to kWh using a Cavanna Homes's supplier relevant formula. Natural gas conversion of m³ to kWh using $m^3 \times 39.2 \times 1.02264 / 3.6$.

Site Fuel consumption: For the non-metered fuel use, fuels are reported based on quantities invoiced over the reporting period. The associated volumes and costs are extracted from the Cavanna Homes' finance system.

Head Office and yard: Costs and kWh consumption was extracted from Cavanna Homes' finance systems.

Travel: Mileage from Cavanna Homes' owned vehicles was extracted from mileage claims recorded over the period. Mileage is further apportioned to vehicle fuel type of diesel, petrol and electric.

Litres of diesel used in Cavanna Homes' owned vans/HGV is captured in site fuel consumption.

BASIS OF CARBON REPORTING METHODOLOGY

SCOPE 3

Scope 3 refers to the indirect greenhouse gas emissions that occur in Cavanna Homes's value chain and are a result of our organisation activities but are not directly owned or controlled by Cavanna. The Greenhouse Gas (GHG) Protocol classifies Scope 3 emissions into 15 individual categories, of which 7 have been identified as relevant inclusions for the baseline calculations, the 8 excluded categories are justified below.

| Category | Summary | Data Methodology |
|---|--|---|
| 1. Purchased goods and services | Emissions associated with the cradle-to-gate emissions from the production of products purchased or acquired by Cavanna Homes. | A spend-based methodology whereby cost turnover with suppliers and subcontractors on sites and overheads were categorised based on industry and applied against industry-specific Environmental Extended InputOutput (EEIO) factors, aligned to UK SIC codes and published by DEFRA on an annual basis. These datasets are published 3 years after the fact, and so the closest year for which a dataset exists has been used, and all spend was adjusted to account for inflation to align with the context in which the emission factors from DEFRA were developed. |
| 2. Capital goods | Emissions associated with the cradle-to-gate emissions from the production of capital goods purchased or acquired by Cavanna. | A spend-based methodology whereby cost turnover with suppliers and subcontractors on sites and overheads were categorised based on industry and applied against industry-specific Environmental Extended InputOutput (EEIO) factors, aligned to UK SIC codes and published by DEFRA on an annual basis. These datasets are published 3 years after the fact, and so the closest year for which a dataset exists has been used, and all spend was adjusted to account for inflation to align with the context in which the emission factors from DEFRA were developed. |
| 3. Fuel and energy related activities (not included in scope 1 or scope 2) | Emissions related to the production of fuels and energy purchased and consumed by the reporting company in the reporting year that are not included in scope 1 or scope 2. | Consumption associated with the scope 1 and 2 inventory calculations has been used in conjunction with DEFRA conversion factors for the UK to account for well to tank (WTT) emissions, and transmission and distribution losses for electricity and heat and steam. |

| Category | Summary | Data Methodology |
|--|--|--|
| 5. Waste generated in operations | Emissions arising from the disposal of waste generated in Cavanna Homes' operations on sites and in the office. Water use and treatment from sites is also captured. | <p>A tonnage breakdown per material category was provided by Cavanna Homes' waste contractor. A reported figure of 90% diverted from landfill (and assumed forming part of a closed-loop system) has been applied to the material categories, with the remaining 10% assumed to be sent to landfill. This percentage breakdown was applied to each waste material quantity and converted using relevant DEFRA conversion factors.</p> <p>Water consumption (used as a proxy for waste water) on site was recorded through actual site meter readings and extrapolated to cover the period the site was active where necessary. Where data was unavailable, an average consumption figure (m³) per m² of plot floor area was applied to the sites.</p> <p>Office waste was estimated using the WRAP Business Waste calculator, using information on waste collection schedules.</p> |
| 6. Business travel | Emissions arising from the transportation of employees for business-related activities in vehicles not owned by Cavanna Homes. | <p>Business travel in employee-owned vehicles was captured in mileage expense claims extracted from Cavanna Homes' finance systems. Using vehicle fuel modes and relevant vehicle conversion factors, the mileage is converted to Scope 3 emissions.</p> <p>No data was available for journeys travelled by public transport via rail, taxi or air travel.</p> <p>Emissions associated with business accommodation use has not been included due to lack of appropriate data. It is not expected that emissions arising from this activity is significant.</p> |
| 7. Employee commuting | Emissions arising from the transportation of employees between their homes and worksites. | A self-selecting survey was distributed to Cavanna Homes employees to understand commuting habits. The survey summarised journey distance to work, mode(s) of travel and how often the employee travels to location. This data was extrapolated to capture all employees travelling to location (either office or site). |
| 8. Upstream leased assets | Operation of assets that are leased by the reporting company not included in scope 1 or scope 2. | All Cavanna Homes' leased assets have been captured in scope 1 and 2 inventory on the basis that Cavanna Homes have operational control over these assets. |
| 9. Downstream transportation and distribution | Transportation and distribution of sold products in vehicles and facilities not owned or controlled by Cavanna Homes. | All sold products (homes) are built in situ and do not move after construction and are excluded. Distribution of purchased goods are captured in categories 1 and 2 under the cradle to gate emissions factors applied. |

BASIS OF CARBON REPORTING METHODOLOGY

EXCLUDED SCOPE 3 CATEGORIES

| Category | Summary | Data Methodology |
|--|---|---|
| 4. Upstream transportation and distribution | Emissions arising from the activities required to deliver a product from the place of manufacture to the place of use and operation. | The methodology applied to categories 1 and 2 associated with procurement make use of cradle-to-gate emissions that include allowance for distribution and transportation of goods. Category 4 can therefore be excluded to ensure no double counting of emissions. |
| 8. Upstream leased assets | Operation of assets that are leased by the reporting company not included in scope 1 or scope 2. | All Cavanna Homes' leased assets have been captured in scope 1 and 2 inventory on the basis that Cavanna Homes have operational control over these assets. |
| 9. Downstream transportation and distribution | Transportation and distribution of sold products in vehicles and facilities not owned or controlled by Cavanna Homes. | All sold products (homes) are built in situ and do not move after construction and are excluded. Distribution of purchased goods are captured in categories 1 and 2 under the cradle to gate emissions factors applied. |
| 10. Processing of sold products | Processing of sold intermediate products by third parties (e.g. manufacturers) subsequent to sale by Cavanna Homes. | Cavanna Homes' activity does not form any part of the chain where their product/activity is turned into something else i.e. forming an intermediate product. |
| 12. End-of-life treatment of sold products | Emissions from the waste disposal and treatment of products sold at the end of their life. | Cavanna Homes have not completed a lifecycle analysis of the homes and do not currently hold appropriate data for end-of-life treatment emissions. |
| 13. Downstream leased assets | Operation of assets that are owned by Cavanna Homes (acting as lessor) and leased to other entities not included in scope 1 or scope 2. | Cavanna Homes do not have any downstream lease arrangements to consider. |
| 14. Franchises | Emissions from the operation of franchises not included in scope 1 or scope 2. | Cavanna Homes do not have any franchises. |
| 15. Investments | Operation of investments (including equity and debt investments and project finance). | Cavanna Homes are not a financial institution and so category 15 does not apply in order to comply with the GHG Protocol under a minimum boundary. |