

CONTENTS

1. Introduction

2. Action Planning

- a. **Measuring: Actions to improve how we measure our carbon footprint**
- b. **Reducing: Identifying how we will meet our reduction targets**
- c. **Reporting and Communication: How we will report performance and improve communication**

1. Introduction

We have set carbon reduction targets approved by the Science-Based Target Initiative (SBTi) for our direct and indirect emissions (Scope 1, 2 and 3) and achieving Net Zero by 2040. We have signed up to the Business Ambition for 1.5°C (Paris Agreement aligned) and therefore also the United Nations Framework Convention on Climate Change Race to Zero. We are committed to a Just Transition, demonstrated by our focus on delivering a year-on-year increase in the delivery of additional affordable homes (see our sustainability strategy).

We commit to:

- A 42% reduction in absolute Scope 1 and 2 Greenhouse Gas (GHG) emissions by 2030 from a 2022 base year.
- 51.6% reduction in Scope 3 GHG emissions per m² of completed housing by 2030 from a 2022 base year.
- Achieving Net Zero by 2040. NOTE: This requires a minimum absolute Scope 1 and 2 GHG emissions reduction of 90% and scope 3 GHG emissions reduction of 97% per m² by 2040 from a 2022 base year.

This action plan addresses our direct carbon emissions only; Scope 1 and 2. It does not cover Scope 3 emissions, such as those in the supply chain or emissions from homes. Carbon offsets will be used as a last resort to offset residual emissions. These offsets will meet the following criteria: Verified Carbon Standard (VCS), Gold Standard Verified Emissions Reduction (GS VER), Voluntary Offset Standard (VOS), Climate Community and Biodiversity Standards (CCB) or will meet the requirements of the Quality Assurance Standard for Carbon Offsets.

Our direct emissions include:

- fuel used on site in plant and equipment
- fleet vehicle miles and company car miles
- electricity and gas used in sites, plots, sales centres, offices and factories.

During 2022 we have focussed on testing and proving carbon reduction measures prior to implementation at scale across the group. Therefore, increased reductions will be required in 2023-2030 once our confidence in solutions is proven, to ensure we achieve our near term (2030) and long-term (2040) targets.

Sustainability Link Loan

Vistry Group currently have a sustainability linked loan, whereby the amount of margin we pay on the loan is impacted by performance against three agreed targets. One of these targets directly relates to carbon emissions, which is why it is imperative that carbon reductions are realised.

Responsibilities

The owner of plan is the Business Unit (BU) Managing Director or Factory Director. The plan must be completed by the plan owner or an appointed Sustainability Lead, on at least an annual basis and communicated to all employees working within the BU. The content of the completed plan will be reviewed periodically by the Group sustainability team and actions and allocated owners must be reviewed annually by the Managing Director or Factory Director and Sustainability Lead, using the latest template.

Opportunity Levers and Ambition Levels

As part of the work to establish out science-based reduction targets, opportunity levers have been identified along with the level of ambition that is needed to achieve our near- and long-term carbon reduction targets.

Table 1: Ambition Calculator

Opportunity	Near Term (2030)			Net Zero (2040)	
	Ambition	Year of Implementation	Modelling Type	Ambition	Year of Implementation
Switch to HVO (% fuel switched) (site plant)	30%	By 2030*	Phasing in	100%	By 2040
Switch to Hybrid generators (% number switched)	90%	By 2030	Phasing in	100%	By 2040
Switch to electrified Group fleet	90%	By 2030	Phasing in	100%	By 2040
TBS connection (% of fuel saved by early connection to the grid)	40%	By 2030	Phasing in	50%	By 2040
Electrification of Factory plant	25%	By 2030	Phasing in	100%	By 2040
Increased PV or PPA in TF factories (% reduction in electricity)	10%	15% of 2022	Step		
Fuel efficiency improvement	15%	Ongoing	Ongoing	15%	Ongoing
Electricity efficiency improvement	10%	Ongoing	Ongoing	10%	Ongoing

*Increase the use of HVO fuel in plant and equipment by 4% each year with a target of 10% of business unit fuel use for 2024.

Near Term	
SBT Minimum Requirement	-42.0%
Predicted Change	-42.3%

Net Zero	
SBT Minimum Requirement	-90.0%
Predicted Change	-91.5%