

# Environmental Sustainability Strategy

2024



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# Leading by example to create A Better Place



**Stewart Lynes**  
Chief Executive Officer

The way we build homes creates spaces where people can live sustainably, where healthy communities can thrive, and where the environment and nature flourish.

Our vision is to lead by example, integrating environmental sustainability into everything we do and creating a more sustainable future.

We are committed to reducing our environmental impact through innovative practices, responsible resource management and continuous improvement. By doing this, we will create lasting value for our business and the planet.

This ambitious but pragmatic strategy outlines our approach to addressing the key environmental sustainability challenges for Miller Homes, and details the vital action we will take.

It is how we will continue to build the very best homes, while also creating better places where people and planet prosper.

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# Benefitting both the business and the planet



**Julie Jackson**  
Chair of ESG Committee,  
General Counsel and  
Company Secretary

Integrating enhanced environmental sustainability into our business operations is crucial for our long-term success and benefits both the company and the planet.

As well as reducing our environmental impact and meeting growing demand for responsible practices, improving sustainability will drive innovation and create resilience that will help us adapt to future challenges.

Our sustainability strategy adds value to our business by providing a clear direction that aligns with the needs and aspirations of all our stakeholders.

It supports the creation of healthy communities, enhances wellbeing, promotes action on climate change and nature, and contributes to making Miller Homes a great place to work.

I will ensure that our homes and communities are great places to live while reducing our impact, ensuring strong governance around our plans, and helping our customers to live as sustainably as possible.

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# Our Environmental Sustainability Strategy

Our strategy details how we are tackling the most important environmental sustainability issues for our business and the actions we will take to become more sustainable. It covers our whole business and focuses on our strategic activity for the next three years.



The strategy underpins the environmental sustainability elements of our wider Environmental, Social and Governance (ESG) strategy, **A Better Place**.

Environmental sustainability is particularly relevant to our commitments on Healthy Communities, Sustainable Living, Building Responsibly, Valued Partners and Informed Investors.



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**Our purpose:**

# Creating better places where people and planet prosper.

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**Our vision for a more  
sustainable business:**



We minimise the climate impact of the homes we build, from design through to production and when they are occupied.



We reduce carbon emissions for our operations, as well as our homes, in line with science-based targets for Net Zero by 2045, and manage water use by design.



We carefully source and manage precious resources, minimise waste, and recover materials for recycling into new resources for our business.



We protect nature in our supply chain and provide homes and enhancements for nature in the communities we develop, bringing people and nature closer together.



We embed environmental sustainability in our strategy and in our actions every day, and everyone knows how they play a part in delivering our sustainability goals.



We share transparent reporting and appropriate targets and metrics so our stakeholders understand our commitments on environmental sustainability and can monitor our progress.

Our Environmental Sustainability Strategy sets out how we plan to deliver our purpose and vision.

# A Better Place: Our commitments

Our wider ESG strategy A Better Place was published in 2023. Our sustainability strategy adds detail on how we will deliver against some of the key pillars of A Better Place, including how we will help customers live more sustainably and how we will create new homes responsibly.



## Sustainable Living

We are committed to meeting our sustainability targets and helping our customers to live sustainably.

## Healthy Communities

Beyond the four walls of a new home, we create spaces that encourage real communities to grow and prosper.

## Building Responsibly

From the way we acquire land to working towards net zero, and from reducing waste to using sustainable timber, we are focused on building responsibly.

## Valued Partners

We value our suppliers and sub-contractors, local communities, planners, and landowners, and demonstrate that every time we interact with them.

## Informed Investors

We value transparency and straightforwardness in each other and are committed to demonstrating these qualities.

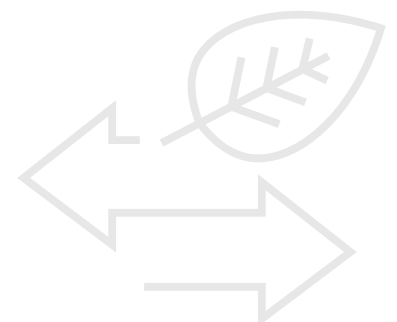
## Our strategy and our stakeholders

Our sustainability strategy will bring value to our business and set a clear direction which can be shared with stakeholders, both internal and external.

It will help guide our commitment to creating healthy communities which are great places for people to live, with space for nature, which aid mental health and wellbeing, and offer energy efficient, cost effective homes. It also sets out how we propose to deliver on our commitments, helping us meet the needs of our many stakeholders.

We know sustainability matters to our colleagues too. This strategy contributes to making Miller Homes a great place to work, clearly setting out what we want to achieve, and creating opportunities for feedback and inclusion.

Many of the actions we propose here will help us become more efficient, saving our teams time and money in delivering quality homes fit for the future.



# Our focus

This strategy is a living document – it will evolve in line with new thinking, innovations and new science. However, there are three very clear sustainability priorities for our business right now.

We have identified <sup>1</sup>climate change, <sup>2</sup>waste and resources, and <sup>3</sup>nature as the most significant sustainability issues for our business and these topics are the focus of our strategy.

## 1 Climate change

We have a significant carbon footprint that we must address in line with the science on climate change and greenhouse gas emissions. Science states that to slow warming and the harmful impacts of climate change we must significantly reduce greenhouse gas emissions, reaching zero emissions by 2050 at the very latest.

We also know that the homes we build must be suitable for our customers in years to come and efficient to run. We expect our business to be affected by the physical impacts of climate change in the future, but even more pressing are the likely impacts of increased regulation, taxation and policy to address climate change.

## 2 Waste and resources

The way we value and use resources needs to fundamentally change. Everything we use, consume and throw away begins with the finite natural resources provided by the earth. The production of materials for our business creates a significant carbon footprint and impacts on communities and ecosystems. Managing waste from our business is time consuming, creates further environmental harm and is costly.

We need to manage and innovate our way to far more efficient use of materials to reduce waste, as well as finding the best possible processes to recover materials which can be used again in a circular economy approach.

## 3 Nature

Since 1970, 69% of nature has been lost across our planet and the UK is one of the most nature depleted countries in the world, with 40 per cent of native species in decline. The services provided by nature keep our planet functioning – by regulating water and nutrient cycles, creating soils and absorbing carbon. Nature also provides materials critical to our business and the Net Zero transition, such as timber. Ensuring that material production and extraction is managed sustainably is a key element of our strategy.

The housebuilding industry is required to provide additional biodiversity enhancements for all new developments in England. We welcome this regulation and are finding ways to do that efficiently and effectively, ensuring the best outcomes for our communities and nature, and ensuring what we put in place is maintained into the future.





sustainable living



building responsibly



informed investors



valued partners

# 1 Our approach to climate change

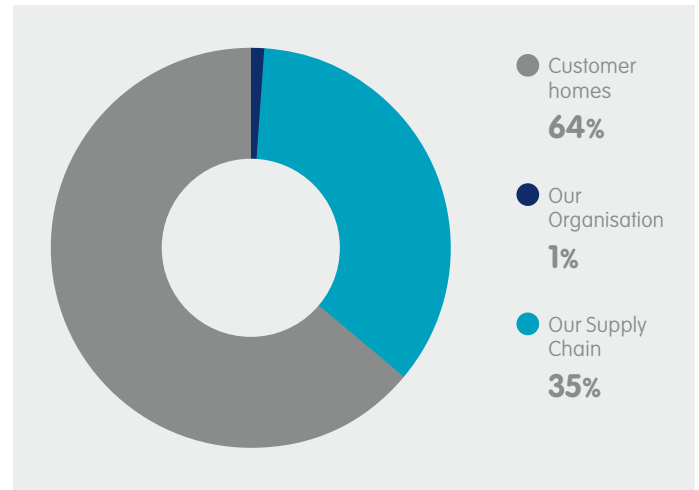
Our sites, offices and vehicles are a relatively small part of our overall carbon emissions. However, they are still important and, in many cases, easiest for us to influence. The largest source of emissions from our business currently comes from the homes we build, which will continue to use energy for decades to come. Our supply chain is also a significant source of emissions, particularly our use of materials such as bricks, cement and tiles. Supply chain is likely to become the largest source of emissions from our business as the UK grid decarbonises over time and homes use less energy.

**Our targets for reaching net zero green house gas emissions were approved by the Science Based Targets initiative in September 2024.**

## Our targets and key metrics:

Targets	Metrics
50.4% reduction in our Scope 1 and 2 carbon emissions by 2032 vs 2022	Total scope 1 and 2 emissions from our business measured as tonnes of carbon equivalent (TCO <sub>2</sub> e)
58.2% reduction in our Scope 3 emissions intensity by 2032 vs 2022	TCO <sub>2</sub> e from homes, supply chain, waste, and business travel per 100m <sup>2</sup> homes built
100% directly contracted electricity from REGO (Renewable Energy Guarantees of Origin) backed supplies by end of 2032	% of directly contracted supplies with REGO certification

## Miller Homes Carbon Emissions Sources:





## Our approach to climate change

(continued)

**Scope 1 and 2 emissions:** We have a number of approaches in place to help us move quickly and maintain momentum as we reduce our Scope 1 and 2 carbon emissions.

### Car fleet and company cars

In 2023, we launched our new car fleet policy which limits company car choice and cars available through our Salary Sacrifice scheme to hybrid and fully electric vehicles. We are also extending the number of charging points available to our employees to support this policy.

### Site energy use and wastage

We plan to reduce emissions from diesel use on site by improving the energy efficiency of our compounds and specifying solar-backed and hybrid generators. In 2024, we will begin a trial of energy management and monitoring equipment on site to identify energy wastage and efficiency opportunities, and to help us set a specification for all elements of our site compounds. We will also consider if there are steps that we can take to connect new sites to the grid more quickly.

### Use of Hydrotreated Vegetable Oil (HVO)

In 2024, we will develop our procurement strategy for HVO fuel. We propose gradually increasing the use of HVO in our business, on a transitional basis to cut emissions from our telehandlers, while alternative technologies which can meet our needs develop. Our strategy will address the wider sustainability issues associated with HVO fuels.

### Renewable energy

Renewable energy is also a core component of our strategy. We have gradually transitioned our directly contracted supplies to Renewable Energy Guarantees of Origin (REGO) backed contracts and expect all of those supplies to be renewable by early 2025. Renewable energy will be part of our solution for meeting the requirements of the Future Homes Standard. We will continue to explore the options for increasing the role that renewable energy has in our own business and the homes we build through to 2032.

**Scope 3 emissions:** We have a number of activities to reduce our Scope 3 carbon emissions.

### Building regulations

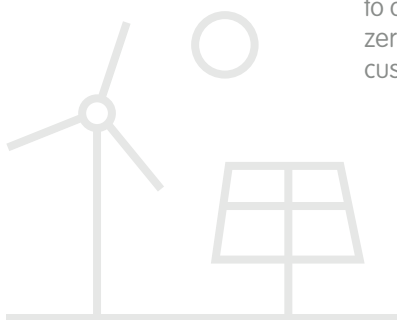
We continue to reduce emissions from our homes by designing and building to comply with the latest building regulations. We expect 2022 building regulations and the Future Homes Standard to significantly reduce emissions from homes, with all new homes being Net Zero ready after the implementation of the Standard in our business. We are reliant on the UK electricity grid decarbonisation to deliver homes which are zero carbon after our customers move in.

### Supply chain

Our supply chain is a significant part of our Scope 3 emissions. Our focus over the next three years includes understanding the decarbonisation pathways of key high carbon materials, such as brick, cement, concrete products, steel and diesel fuel. We will review our supply chain to reduce embedded carbon in purchased goods and services, looking for commercially viable carbon reductions based on robust environmental information.

### Travel

We conduct annual travel surveys which are a key tool for addressing both business travel and commuting emissions. Over the next few years, we will work to improve the quality of data available from our reporting systems and enhance our travel and allowance policies to support lower carbon means of transport. We also expect the number of electric and hybrid vehicles in our business to grow further, and we will increase the number of electric vehicle chargers available across our locations to support the move to electric vehicles. Where new technologies cannot yet meet our needs, we will pursue efficiencies and behaviour change to tackle emissions.







building responsibly



sustainable living



valued partners

## 2 Our approach to waste and resources

Waste in our business arises during initial site excavations and throughout the build of our new developments. Waste is also produced in our offices, although on a much smaller scale. Our approach to waste is aligned with the waste hierarchy, ensuring that we focus on eliminating waste from our business. This is a long-term process requiring innovation from our supply chain and implementation by our site teams. We will continue to ensure we work with waste contractors who are able to recycle a significant proportion of our waste materials for further use.

### Our targets and key metrics:

Targets	Metrics
98% of waste diverted from landfill by 2025	% of total waste diverted from landfill
100% of waste diverted from landfill by 2030	% of total waste diverted from landfill
75% of waste sent to recycling processes by 2025	% of total waste sent to recycling processes
85% of waste sent to recycling processes by 2030	% of total waste sent to recycling processes
Year on year reduction of waste per 100m <sup>2</sup> of homes built	Tonnes of production waste per 100m <sup>2</sup> of homes built

### Production waste

Production waste has been the main focus of our work on waste and resources to date. In addition to ensuring that waste materials are reused on site as far as possible, we have launched an incentive scheme to ensure that waste is collected and segregated for reuse and recycling by others. Over the next three years we will continue this approach, but will increasingly work with a wide range of internal and external stakeholders to reduce waste. This approach will require engagement with our supply chain, innovation and change to practices on site. However, this element is arguably the most important and is designed to reduce the commercial as well as environmental impact of waste in the business.

### Excavation waste

Excavation waste will often be used on site where an opportunity exists. However, this is not always convenient and may result in materials being moved around site. During the next three years, we will extend the scope of the work on reducing waste to assess the opportunities for soil exchange to reduce cost and carbon impacts. This will also help us improve our knowledge of the impacts of soil movements and disposal with potential commercial benefits.





healthy communities



sustainable living



building responsibly



informed investors

### 3 Our approach to nature

Nature cuts across a number of the pillars of our A Better Place strategy. Over the next three years we expect to develop our approach, especially as it relates to delivery of biodiversity gains.

#### Our targets and key metrics:

Targets	Metrics
Achieve at least 10% BNG on all sites in England	% BNG delivered
Provide at least one measure for nature per equivalent plot on all new sites <sup>1</sup> from Sept 2024	Number of integrated nest boxes installed on sites
Provide Hedgehog Highways on all new sites from September 2024	Number of sites with Hedgehog Highways installed
100% timber sustainably sourced	% timber confirmed as PEFC or FSC certified

<sup>1</sup> New sites means those beginning the planning application process or being taken forward with outline planning from Sept 2024.

#### Biodiversity Net Gain

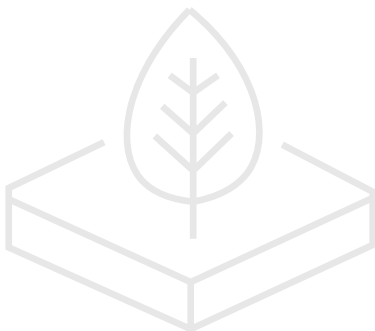
Biodiversity Net Gain (BNG) represents an opportunity to bring people and nature closer together. It ensures that we protect natural features on our development sites, but also that we enhance developments with landscaping that will mature to create beautiful places for people and nature. A priority up to 2026 and beyond will be developing processes to ensure that the gains we deliver are maintained for the next 30 years and longer.

#### Sustainable timber

Our strategy for nature extends beyond the UK. We need to ensure the protection of nature in countries providing resources through our supply chain. A key element of our strategy for nature is our approach to sourcing sustainable timber throughout our business.

#### Homes for Nature

We have committed to providing Homes for Nature on all new sites from September 2024. Regardless of geographical location, our developments will support declining bird species such as swifts and house sparrows through inclusion of nest bricks, as well as providing access routes for hedgehogs. We will provide food and shelter for wildlife through pollinator planting and native species of hedging and trees. We will monitor the success of this programme in conjunction with our peers through the Future Homes Hub.



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# Communicating our strategy

Communicating our sustainability activity and progress is an ongoing process. Updates on progress will be provided via our Corporate website and in our Annual Report. Internally, our strategy will be communicated via our intranet, and through our ESG Committee and regional management teams.

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## Governance, data and management

Our strategy has been approved by our ESG Committee and Executive Board. It is reviewed annually by our ESG Committee to ensure it continues to deliver the right outcomes. Progress and new initiatives launched as part of the strategy are reviewed and approved by the ESG Committee.

Over the next three years, we will continue to extend and improve our data gathering systems to ensure that we have robust datasets in place to accurately monitor our progress. This will also ensure that we can meet increasing demands for disclosure and benchmarking of our performance.

Policies, procedures and guidance will be developed as required to support the implementation of our strategy, and to ensure that requirements are communicated consistently across our business.

