

Environmental, Social and Governance (ESG) Report 2022



Churchill
Retirement PLC 

BUILT ON INTEGRITY AND TRUST

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Foreword from Spencer McCarthy, Chairman & Chief Executive

There are many global challenges currently facing our planet. Climate change is arguably one of the greatest and over the next few years, the construction industry faces ambitious challenges to meet the Government's net zero carbon housing targets.

We know that our specialist form of retirement housing is highly sustainable – indeed, it's hard to think of a form of housing development that could be any more sustainable than ours – but that doesn't mean that we can't do more with our product and how we deliver and manage it, to ensure that, as far as is possible, we can work towards meeting the Government's ambition.

Our impacts upon society in general and upon the local communities within which we develop, together with our relationships with our customers, sub-contractors, suppliers, consultants and staff, are extremely important to us too. I take great pride in what we have achieved over the years in this respect, and remain committed to ensuring that our business has a positive impact on all our stakeholders.

As part of our ambition to significantly increase unit sales while addressing the challenges outlined above, and so as to better monitor and report on our ESG credentials, we have brought together senior leaders from across our business to unite our ESG approach. This is being led from the top with our PLC Board Director, Gary Day, as Chair of our newly formed ESG Committee.



Edinburgh Lodge, Orpington

Introduction from Gary Day, Chair of the ESG Committee

Our ESG Committee was brought together in the Spring 2022 and in our first six months we have made great progress in identifying the strands of ESG work that are important to our business operations; adopting an ESG Strategy; capturing what we do well already and what processes we have in place to monitor performance; and identifying areas where we can improve, and setting KPIs accordingly.

Sustainability initiatives give Churchill Retirement Living the opportunity to ensure that its specialist retirement housing product is futureproofed, safe and secure for its Owners. By progressing and developing our environmental, social and governance responsibilities, we can help drive the success of our Company; inspire our Colleagues; improve the lives of our Owners and Customers; and give back to the communities in which we live and work.

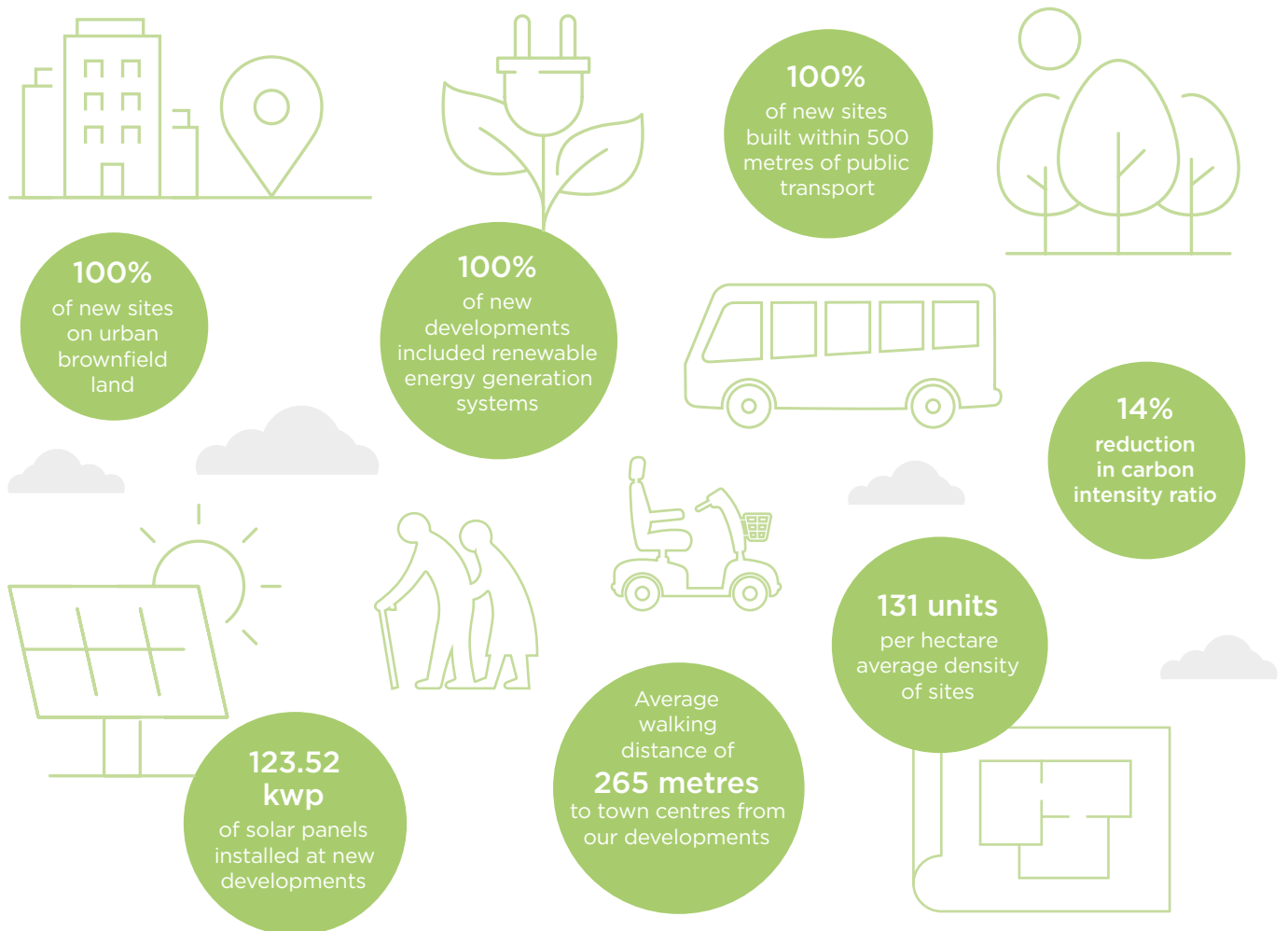
In this report we have set out our Environmental, Social and Governance (ESG) priorities, how they align with our corporate strategy, and how we have progressed during the last year.

I would like to thank my ESG Committee Colleagues as they have contributed to significant progress in a short period of time, and in particular to the production of this report.

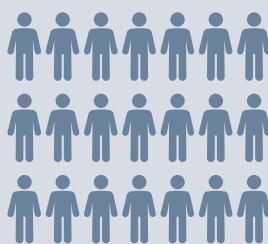


Key performance indicators for the year ended 30th June 2022

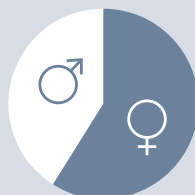
Delivering environmentally sustainable homes that improve lives



Investing in our people



215
new roles created
during the year



59%
of all Colleagues
and **34%** of senior
management are
female

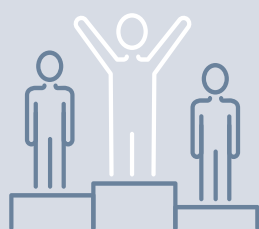
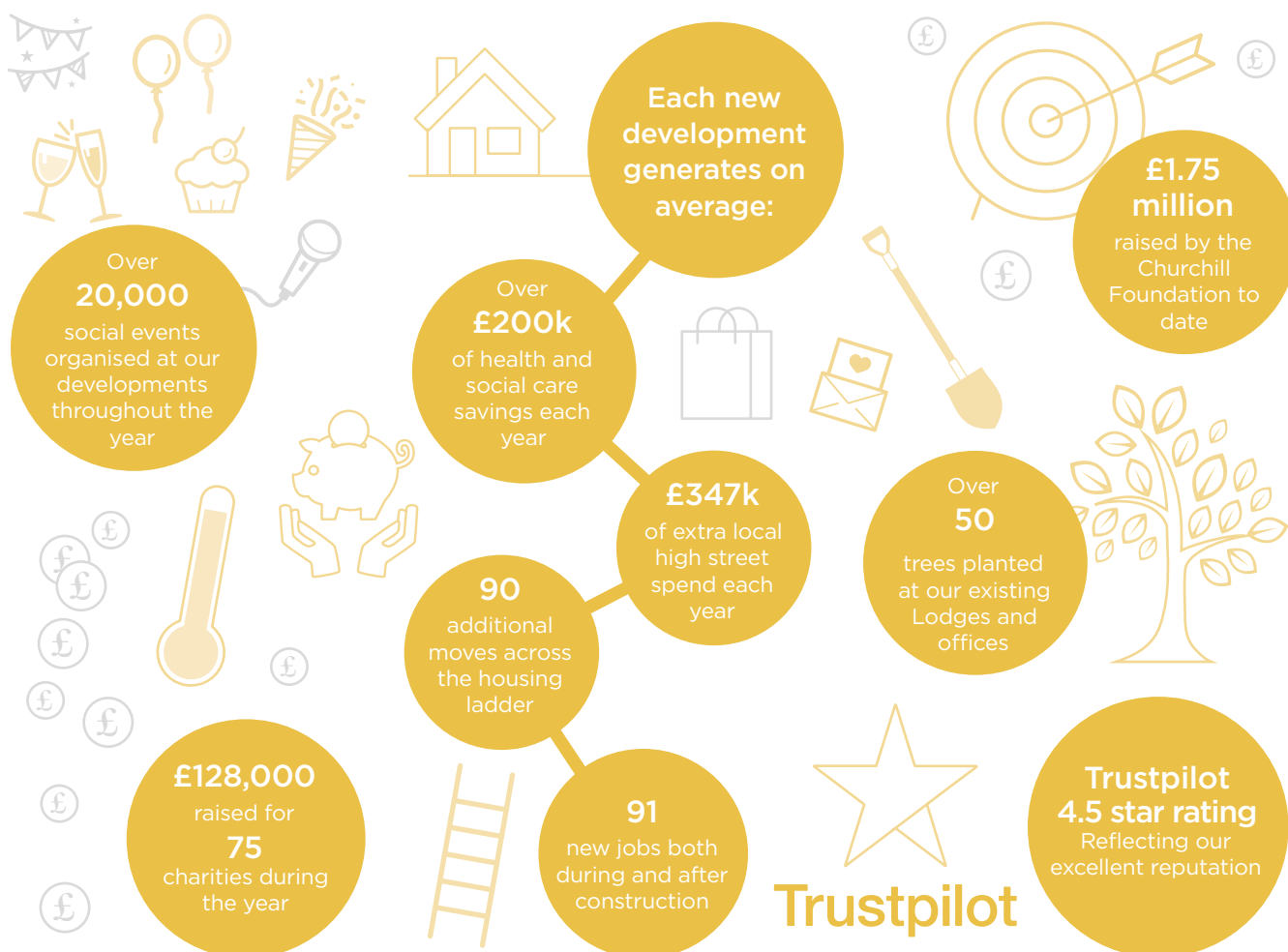


26
trained Mental
Health First Aiders
throughout the
Company



720
hours of health and safety
training

Building communities that give something back



63

internal promotions during the year



300 years

of combined experience in the housebuilding industry at Board level



glassdoor

3.7 stars

overall rating



indeed

3.2 stars

overall rating

ESG framework and strategy

Our vision

‘To be the most successful housebuilder in the UK’

Our business is the construction, maintenance and management of specialist retirement housing. We are a customer-focused business, aiming to deliver a market leading sustainable product whilst creating value for our shareholders/stakeholders. We aim to provide an exceptional customer service to our retirement housing Owners, so they can enjoy an independent, safe and sociable lifestyle as they get older.

Our primary commitment is to deliver a product that is energy-efficient, future-proofed and safe, enabling our customers to enjoy their later years without undue worries and concerns.



Need for retirement housing

People are living longer. The number of people aged over 80 is set to rise from around 3.2 million today to 5 million in 2032¹. By 2039 it is estimated that around one in four people in the UK will be aged 65 and older².

Retirement housing is specially designed accommodation for older people who want to maintain the independence and privacy that comes with having a home of their own whilst also feeling safe and secure, with companionship and with access to support and care, if needed. In many cases, older people find themselves living in family houses that are larger than they now need. Homes for Later Living estimated³ that 2.5 million homes owned by people aged 65 or over (64 per cent) are under-occupied compared to just 41 per cent under-occupancy for homeowners under 65.

In a survey we conducted in 2020 of our Owners who have moved in the previous two years, most had moved from a house they occupied alone with two bedrooms or more, and around half had three bedrooms or more. Of these, almost all had a garden and were within walking distance of the local school, making them ideal homes for young families trying to acquire their first home or to move up the housing ladder.

¹ Healthier and Happier, Homes for Later Living, 2019 ² Sustainable Retirement Living, WPI Strategy, 2022 ³ Chain Reaction, Homes for Later Living, August 2020



Downsizing benefits the whole family

Widower Carol Emanuel downsized to an apartment in Beatrice Lodge, our development in Sittingbourne. In doing so, she was able to sell her three-bedroom home with a large garden and plenty of space to her own granddaughter, Holly and husband, Sam. The young family, including Carol's great-granddaughter Poppy and her brand-new baby brother have now made her old house their own.

Carol (77) – Churchill Retirement Owner

"I'd lived in my home for many years, so it had a lot of memories, and I didn't really want to leave, but the stairs were getting harder to manage, and the garden was quite a lot for me to look after. Luckily, we found the perfect solution, as my granddaughter bought my old house from me. That meant I could downsize and move here, but I still get to go back and visit. Plus, it's helped her and her family move to a place that's right for them. It's an ideal solution for everybody."

Lisa (54) – Carol's daughter

"The four generations of our family are still close, and we often get together, whether it's to go shopping or just spend time catching up. We know mum is safe and happy here, and it's nice to see her old house full of new family members who are making it their own."

Holly (31) – Carol's granddaughter and new homeowner

"I had some reservations about moving into Nan's house as it holds so many memories for me and I grew up seeing both her and Grandad here. However, my husband could see its potential, so he persuaded me, and I'm so glad he did! We've put our stamp on the place and made it ours, with a new kitchen and changes to the living room layout, plus our own furniture. Our previous home was bought by first-time buyers, so it was only a short chain, but meant that another young couple joined the housing ladder."

She adds: *"We've always been very close to Nan, so we still see her a lot as she's only 20 minutes away in the centre of Sittingbourne. She loves it at Beatrice Lodge, she's making new friends and there's always something going on at the Lodge every day, so we don't need to worry about her being on her own. Her move has meant we're all in a place that suits us perfectly."*

Poppy (5) – Carol's great-granddaughter,

Poppy loves visiting great grandmother Carol in her new apartment and has been learning to play chess in the Owners' Lounge.

Our ESG approach

During the year, the decision was taken to consolidate and strengthen our sustainability credentials and corporate social responsibilities.

Formation of a dedicated ESG Committee

The first step was the formation of a dedicated committee in Spring 2022 under the stewardship of Gary Day, our Group Land & Planning Director and a member of the PLC Board. The Committee was given the specific aim of promulgating and co-ordinating our environmental, social and governance (ESG) activities across our business.

Key senior managers representing the key functional operations of our Company are members of the Committee, demonstrating our Company-wide commitment to ESG.

The Committee's main functions are:

- **To embody an ESG culture throughout the business**
- **To identify and assess areas where ESG performance can be improved.**
- **To make financially viable recommendations based on socially responsible achievable decisions**
- **To ensure the Company meets all its ESG regulatory obligations**
- **To continually assess our ESG priorities against an ever-changing landscape**
- **To report on progress to the PLC Board and to support the Board with ESG communications**

The Committee meets quarterly to monitor current activities, to assess our ESG priorities as they evolve and our performance against our adopted KPIs, and to make recommendations to the PLC Board.

From a governance perspective, the Committee will help ensure that the Company complies with all relevant regulatory requirements that pertain to our business and will promote ethical business practices throughout the organisation.

The ESG Committee, via its Chairman, reports back to the PLC Board on a quarterly basis, and to the Company's Executive and Operations Committees on a monthly basis. The PLC Board, however, retains ultimate oversight for all ESG matters.

Aligning our ESG strategy with our corporate vision

The first step taken by our ESG Committee was to review our sustainability credentials and priorities to ensure that they were aligned with our corporate vision. Out of this exercise we were able to formulate a centralised ESG strategy.

We separated our ESG responsibilities into three distinct pillars: Environment, Social and Governance and identified our main priorities under each pillar.



Separate working sub-groups have been established within the ESG Committee to lead on matters within each pillar.

In addition, as part of the strategic plan, the Committee has put in place a five-step approach to identifying and monitoring key performance indicators (KPIs) representing the matters with most ESG relevance to our business.

The KPIs specifically identified under each ESG pillar have been chosen to best reflect the business' fulfilment of its own environmental, social and governance objectives. These include not only existing performance measures within the organisation, but also some new ones. These KPIs will continue to be monitored and updated on a regular basis to ascertain whether they are still relevant to the business and how they can be improved.

Senior managers oversee responsibility for gathering and collating the KPI data which are reviewed by the Committee. These are also assessed against relevant external benchmarks to help monitor and improve outcomes in the fulfilment of our responsibilities under the three pillars.

Not all data has been available for the whole of the year under review. Systems have been put in place to monitor those newer KPIs going forward and these will be reported on more fully in future years.

The ESG strategy was recommended to, and approved by, the PLC Board in the Spring of this year.

As part of its review of the Company's ESG credentials, the Committee also updated some Group policies and put in place an overarching ESG Policy to align our long-term sustainability goals with all areas of the business. The ESG Policy expands upon our responsibilities under the three pillars and the prioritisation of the well-being of our Customers & Colleagues alike and can be reviewed at our website, www.churchillretirement.co.uk/corporate-information.

One of the first things we did following the creation of the ESG Committee was to put in place a dedicated ESG email address so anyone in the organisation can contribute thoughts, ideas and suggestions directly to the ESG Committee. This reinforces our commitment to integrating ESG across the whole business.

ESG Pillar	Environment	Social	Governance
			
Key Value	<i>Protecting our planet</i>	<i>Looking after our people</i>	<i>Being responsible</i>
Key Priorities	Climate change/TCFD compliance Best use of urban land Sustainability of materials Futureproofing our products Energy efficiency Carbon emissions Waste management Biodiversity	Health and safety Customer satisfaction Wellbeing of Colleagues and Customers Good working conditions Diversity, equality and human rights Stakeholder engagement Community engagement	Legal compliance and responsibility Ethical business practices Prudent risk management Accountability Conflicts of interest Transparency Board diversity



Pillar 1: Environment

Protecting our planet – Our approach

One of the key priorities for all governments and society in general is the protection of our planet. Construction of any kind has an impact on the environment, and as a specialist retirement housebuilder and operator, we are very aware of the role and responsibilities of our business in addressing environmental concerns.

Ensuring that we comply with the fast-moving climate regulations affecting our industry is, of course, very important. However, due to the size of our business, we are not currently required to report on the Task Force on Climate-Related Financial Disclosures (TCFD).

Notwithstanding that, we have started to review our business against the TCFD framework to ascertain what our climate-related risks and opportunities are and how we can factor those into our environmental decision-making process going forward. We are also developing a roadmap for the Company to see how we should be able to address the Future Homes and Buildings Standard 2025 and meet the Government's net zero carbon housing target.

Our key environmental priorities have been divided between the way we work (our business efficiency) and what we produce (our product efficiency).

Improving our business efficiency

We continue to drive our business towards a more sustainable working environment, both on our construction sites and in our offices.

As part of our drive towards reducing our carbon footprint, we have started installing solar panels at our offices. Panels have been installed at our head office in Ringwood, and further installations are planned for other regional offices over the next year.

We have also recently entered into new supplier framework agreements which will allow us to monitor and analyse our waste management much more effectively.



Our business efficiency priorities and progress

Our priorities for improving our business efficiency are

- **Improved energy efficiency and a targeted reduction in our energy consumption across our working practices**
- **Better waste management at our sites and offices through increased recycling and reuse of materials**
- **More sustainable use of resources across our business**

Energy consumption	Waste management	Use of resources
Priority To improve energy efficiency	Priority To minimise waste	Priority To use more sustainable resources
Progress <ul style="list-style-type: none"> • Installation of solar panels at our Head Office in Ringwood with further installations planned at other regional offices • Electric vehicle charging points are available at our Head Office • Inclusion of electric cars in our car fleet • Average CO2 of the car fleet at year end was 99 • Our expenses system rewards car sharing 	Progress <ul style="list-style-type: none"> • Moved to new waste management supplier framework agreements providing more detailed waste management data in future • Changed to steel crane hoardings that can be reused • Support framework for hoarding panels made from recycled plastic • Hoarding panels are being used by a firm to make recycled garden furniture 	Progress <ul style="list-style-type: none"> • Working with more companies that are already registered as carbon neutral or are working towards it • Partnership with the WildHearts Group of companies which reinvest their profits into social and environmental initiatives • Introduction of tablet computers on construction sites to reduce paper use

Measuring our product efficiency

Creating a product that is appealing to our target customers, providing them with a stress-free lifestyle in their later years, is paramount to our business. Indeed, the success and reputation of our business is reliant on us delivering high quality homes and the right environment for our Owners.

Our land-buying strategy is to buy brownfield sites in or near to town centres. Sites are often vacant/under-used industrial or commercial buildings that can be redeveloped into modern, high density retirement housing, supporting regeneration in town centres and making the best possible use centrally-located urban brownfield land.

In its research, Homes for Later Living estimated that an average retirement development of 45 apartments results in 90 additional moves across the housing ladder, releasing around 30 homes for first-time buyers.

By building retirement developments on accessible brownfield sites, near to existing infrastructure and essential services for our customers, we can help facilitate better use of the existing, (often under-occupied), housing stock within the locality, thereby reducing the need for the construction of new family homes in more sensitive locations, such as on designated Green Belt land, in Areas of Outstanding Natural Beauty (AONBs), and within cherished Conservation Areas.

Furthermore, those larger properties that are released to the market when our customers move into our retirement housing apartments, are often refurbished and made more energy efficient by the families that subsequently re-occupy them.

Due to our town centre locations, there is less need for our Owners to continue to run or rely on their own vehicles. Typically, only one in every three of our Owners continue to own and drive cars after moving into our developments (which we name as Lodges). And although we are still seeing very low usage of electric and/or hybrid vehicles by those Lodge Owners who are still driving, we have installed EV charging stations at some of our Lodges and on others we have provided the infrastructure for charging stations to be installed in the future. Moreover, from June 2023 all our new developments will include a charging station for every parking bay.



“

I still have my car, but I don't use it much as we're so close to the high street I can just walk there for everything I need, even the dentist. I lived further out of town before and I realised that if I ever couldn't drive, I'd be a bit stuck.”

Lesley, Avonbank Lodge

A detailed biodiversity plan is produced for each development at the design and planning stage, which frequently results in a biodiversity net gain once the development has been completed. We include fully landscaped gardens in all of our Lodges, offering our Owners attractive outdoor spaces where they can relax and socialise. The gardens are professionally maintained by our management company, Churchill Estates Management Ltd, and there are several gardening clubs that have developed at our Lodges, where Owners are keen to keep involved.

It has been estimated that households in the UK account for over 20% of greenhouse gas emissions every year⁵. By comparison, new build homes are estimated to account for only 6.4% of the country's total annual CO2 gas emissions⁶. We aim to ensure that our developments are built with energy efficiency in mind.

We are constantly reviewing latest developments in energy consumption to ensure that our apartments are efficient and futureproofed. We look to install energy efficient appliances, fixtures and fittings, where possible, all of which adds up to a lower carbon footprint and lower energy bills for our Lodge Owners.

All land purchases that we are making now are based on development designs that will be 31% more energy efficient than we are currently building (in line with changing Building Regulations).

⁵ Greener, Cleaner, Cheaper, Home Builders Federation, 2022 ⁶ Greener, Cleaner, Cheaper, Home Builders Federation, 2022



“

The whole building is so nice and warm all the time that we've hardly had to use the heating inside our apartment. When we do turn it up, it's nice to know we don't have to worry about the cost or the environmental impact as it's all so energy efficient.”

John and Doreen Pitt, residents at Lewis Carroll Lodge, where we installed ground source renewable heat pumps.

As we do not install any gas services in our Lodges, cooking and heating is all electric and there are no polluting gases as a result.

Our Lodges benefit from good insulation and thermostatically controlled panel heaters. These provide almost instant heat and do not need to be on for long lengths of time, due to the high insulation levels in our construction.

For a number of years, we have also been adding built-in renewable energy and/or heating systems into all of our developments– via either ground or air source heat pumps, and/or solar panel technology.

Solar panels generate renewable electricity for use throughout the development's communal areas and individual apartments, improving sustainability, and providing cost savings for our Lodge Owners. Any unused electricity the system generates is returned to the National Grid.

We have conducted a comprehensive review of fire safety across all the 200 developments we manage, and addressed all issues raised at our cost. No Churchill developments have ever been built with flammable or defective cladding.

Creating a bio-diverse habitat

At our Yeats Lodge development in Oxfordshire we teamed up with local sustainability group Thame Green Living to create a new bio-diverse area of land adjacent to the site. We sensitively landscaped and planted the area with a variety of native trees, shrubs and flowers to create a habitat that will benefit local wildlife, and enhance the area's appearance for local people to enjoy

Before



After



Our product efficiency priorities and progress

Our priorities for measuring our product efficiency are

- **Making decisions that improve the sustainability of our developments and increase the biodiversity at our Lodges**
- **Selecting locations that minimise the impact on the climate and reduce reliance on cars, whilst also being suitable to our customers' needs and aspirations**
- **Offering a product that is energy-efficient and future-proofed reducing our Owners' impact on the climate**

Sustainability of land and biodiversity	Climate considerations	Product efficiency
Priority To improve sustainability of land and biodiversity	Priority To continue to select central locations and to reduce reliance on cars	Priority To offer a product that is energy-efficient and futureproofed
Progress <ul style="list-style-type: none"> • All (100%) of our new sites acquired during the year are on brownfield sites • Land purchased during the year included a disused petrol filling station, vacant former police station and a vacant former bingo hall • Density of sites under construction during the year is 131 dwellings per hectare • Planted over 50 new trees at our Lodges and offices as part of the Queen's Green Canopy initiative 	Progress <ul style="list-style-type: none"> • 100% of our new sites are within 500m of public transport • Average walking distance to town centres sites under construction is 265m • Average parking space ratio of 0.4 spaces per apartment • Included power, ducting and cabling at new builds to facilitate future installation of electric charging points (as and when needed) 	Progress <ul style="list-style-type: none"> • Installed 123.52kWp of solar panels in our new developments • No gas installed at our Lodges, reducing impact of polluting gases • Installation of low energy lighting and utilise daylight and movement sensor controls, where applicable • Average EPC rating of our developments of B

We were delighted that our credentials were recognised at the What House Awards in 2021 where we won the Bronze award in the Best Medium Housebuilder category. The judges praised our sustainability drive and product development ambitions as key factors in their decision.

Energy usage and carbon emissions

Churchill Retirement Living is committed to year-on-year improvements in its operational energy efficiency as shown by the data below. This is achieved by ensuring that developments are built to be as energy efficient as possible.





Although we have seen an overall increase in carbon emissions, this is due to reduced levels of activity in the prior year due to Covid.

Measures that have been undertaken during the year and are ongoing include continuing to install Solar Photo Voltaic Panels on all new builds and exploring more energy efficient construction material for use on all future developments.

UK Greenhouse gas emissions and energy use data for the year ended 30 th June	2022	2021
Energy consumption used to calculate emissions (kWh)	5,381,235	4,651,241
Energy consumption break down (kWh):		
• Gas & LPG	275,824	218,871
• Grid-Supplied Electricity	1,854,243	2,130,606
• Transport	3,251,168	2,301,764
Scope 1 emissions in metric tonnes CO ₂ e		
• Gas & LPG	53	40
• Transport	216	195
Total Scope 1	269	235
Scope 2 emissions in metric tonnes CO ₂ e	359	497
Scope 3 emissions in metric tonnes CO ₂ e	539	349
Total gross emissions in metric tonnes CO ₂ e	1,167	1,081
Intensity ratio in metric tonnes CO ₂ e per £m	5.83	6.75

Scope 1, 2 and 3 consumption and CO₂e emissions data has been calculated in line with the 2019 UK Government environmental reporting guidance. Emissions Factor Database 2021 version 1 has been used, utilising the published kWh gross calorific value (CV) and kgCO₂e emissions factors relevant for reporting period 01/07/2021 – 30/06/2022.

Careline Support Limited and Flycorp Aviation LLP, a joint venture that does not meet the SECR thresholds, have been excluded. Various other dormant subsidiaries have been excluded as well, as they do not meet the SECR threshold and do not consume energy.

Carbon & Consumption	YOY change	Overall
Gas 275,824 kWh 53.02 tCO ₂ e	 +31.74% ↑	5.83 tCO₂e per £m -13.62% Carbon: YOY +8.00% Consumption: YOY +15.69% 
Electricity 1,854,243 kWh 358.57 tCO ₂ e	 -27.81% ↓	
Transport & Plant 3,251,168 kWh 755.46 tCO ₂ e	 +38.97% ↑	

YOY = tCO₂e year-on-year change

Metric = Turnover £m

Pillar 2: Social



Looking after our people – our approach

To achieve long term value in our company, we need to look after our people – our colleagues, customers, suppliers, contractors and consultants – who are all vital to the success of our business.

We aim to ensure that all Colleagues feel valued and are supported in their careers.

Our Customers are central to our business ethos; our business activities and products must offer a safe, secure and enjoyable retirement lifestyle.

We also want to contribute to the Communities in which we operate. The Churchill Foundation is a registered charity set up in 2015 to bring all the Group's fundraising efforts under one banner and help us give something back to the communities in which we work and build.

Supporting and developing our colleagues

Our ability to attract and retain skilled employees is central to our business strategy. Our goal is to employ people who are passionate about our business ethos, who we can nurture and support in the development of their careers.

Colleague Satisfaction

Polling amongst Colleagues and borne out in external surveys and reviews found that 9 out of 10 Colleagues working for Churchill are proud to do so, enjoy doing so and feel like they make a valuable contribution to the Company. Similarly, 9 out of 10 felt their Colleagues would go out of their way to help if asked and that their Line Managers listen and respond positively to their needs. When asked to apply a rating between 1 and 5 (with 5 being the most positive) a majority of Colleagues rated Churchill 3 or above in respect of work-life balance, salary and benefits. The CEO has an approval rating of 87% amongst the workforce, and 7 in 10 Colleagues would recommend joining Churchill to a friend.

Training and development

Through our extensive training programmes, we invest in the future of our colleagues. In August 2020 we launched the Churchill Training Academy offering both facilities and remote learning opportunities for our Colleagues.



During the year 215 new roles were created reflecting our growth plans for the Company. This does, of course, reduce the average length of service of our Colleagues, which at year end was three years, seven months,

We have a great track record of bringing in talent and developing individuals through to senior roles. As part of our growth plans, we are looking to create significantly more new Apprenticeships and Early Careers roles over the next three years, with a further seven apprenticeships planned for this year across a wide variety of roles.

Diversity and equality

At the year-end, 59% of all Colleagues and 34% of senior management were female.

During the year we published our Gender Pay Gap report for the year to 5 April 2021. The mean hourly gender pay gap was 35%, while the median hourly gender pay gap was 25%. This is due to the fact that there are currently more males than females in senior positions in the Company, with 75% of the Upper Quartile of Colleagues being male, while 62% of the lowest quartile of Colleagues are female.

None of our construction site-based Colleagues are currently female, but around 18% of our total construction and commercial workforce are female. This is reflective of the continuing low percentage of female manual workers in the construction industry, which still struggles to attract women.

The Company maintains an open equal opportunities approach to all its job vacancies. Candidates are selected based on merit. Our gender breakdown reflects one of the challenges we, and the construction industry in general, continue to have to attract female candidates and to make our industry an appealing career for women.

We continue to work hard to ensure a fair and inclusive working environment for our Colleagues.

Safety, health and well-being of Colleagues

The safety, health and wellbeing of our Colleagues is of paramount importance and the value of healthy and positive mental well-being has never been so evident as it is now. This helps alleviate stress, anxiety and depression, empowering our Colleagues to fulfil their potential.

We provide free health screening for all Colleagues. We also offer support to our Colleagues through our Employee Assistance Programme (EAP). This programme is available 24/7 every day of the year and provides support to Colleagues not only with their health and wellbeing, but also with their financial wellbeing.

We have invested in our Colleagues' personal development through a new training programme called 'Rewarding Relationships'. Delivered by international teambuilding guru, Shay McConnon, this training is being rolled out across the Group via interactive workshop sessions designed to bring fresh insight to Colleagues' work relationships.

The Health Assured App is an extension of the EAP service and provides Colleagues with access to support directly to their mobile devices. This support has been taken up by family members as well as Colleagues, underlining the breadth of support we can provide both at work and at home.

During the year, a number of our Managers have had training with our EAP provider, Health Assured, to enable them to understand this service more fully and to be able to provide even more support to their teams, should this be needed.

All our HR business partners have mental health first aid training. In total, we have 26 trained mental health first aiders throughout the Company.

We have an in-house Health and Safety team, who are responsible for overseeing safety and health on our construction sites and carrying out health and safety inspections on site. We also have a dedicated Health and Safety Advisor who works on the management of our Lodges.

We can report that during the year there were only three major injuries, and only two RIDDOR over seven days' incidents. There were no enforcement notices or prosecutions.

We carried out 720 hours of health and safety training over the year, reflecting our commitment to maintain high standards of health and safety across our business activities.

Our commitment to health and safety extends to our suppliers, contractors and subcontractors.

We also require all supervisors working on our construction sites to have undertaken the Construction Skills two-day health and safety supervisors' course. All subcontractors working on our sites are encouraged to hold the relevant Construction Skills Certification Scheme (CSCS) operative cards.

We work withSSIP provider, SMAS, to ensure that companies who wish to work with us have demonstrated their environmental and health and safety compliance credentials in advance of becoming an approved Churchill contractor.

Communication and social benefits

Good communication is of paramount importance. This is achieved through our popular internal newsletter - 'Team Spirit' - which keeps Colleagues up to date with Company news, successes, promotions, new starters, long-service awards and other matters of interest. In addition, our dedicated Company intranet and weekly electronic Newsflashes keep Colleagues up-to-date on a wide range of topics relating to the business and our people.

The last Friday of each month is "Pizza Friday", with free pizza provided for all Colleagues, including senior management, as a way to bring people together, cement relationships and help them feel valued.

Each of our offices also has a Sports & Social Committee in place to organise regular social activities for Colleagues and their families to take part in, both inside and outside the workplace.

All Colleagues are given their birthday as an additional day's leave.

Improving the lives of our customers

One of our major strategic priorities is to deliver a product that allows our Lodge Owners to enjoy an independent, safe and secure lifestyle.

Social benefits of our Lodges

Specialist retirement housing can help older people stay independent and healthier for longer than if they lived alone.

Loneliness can reduce people's quality of life and lead to depression. A community environment can help tackle isolation and promote better mental and physical well-being

In our Lodges, Owners can have their own independence in their private apartments, with the benefits of having communal spaces, where they can meet, entertain and socialise.

Moving into specialist retirement housing can reduce health issues and hospital admissions. In its report, 'Healthier and Happier', Homes for Later Living estimated that each person living in a retirement housing home enjoys a reduced risk of health challenges, contributing to health and social care savings of approximately £236,000 per year in a typical retirement development.

Facilities at our Lodges include

- **a Lodge Manager on hand to provide support when needed and to help facilitate social events**
- **furnished communal areas, such as the Owners' Lounge, where they can meet and socialise**
- **Guest Suites, provide our Owners with the opportunity to invite family and friends to stay overnight**
- **lifts to all floors**
- **24/7 Emergency Careline support and advice to our Owners, giving them and their families peace of mind.**
- **landscaped gardens provide physical and mental health benefits of outdoor space, helping to reduce stress and improve well-being**

For our Owners, who are typically in their 80s, our apartments are easier to maintain than the larger family house that they previously lived in. With less responsibility for the maintenance and servicing of their properties, they have more time to socialise with other people, to take up new or restart old hobbies, and to spend time with their families and friends.



“

There's plenty of room in my apartment for the things I really wanted to bring with me, like my camera and photography equipment. Now I can spend my time playing a spot of golf, enjoying my photography or doing a bit of fly fishing by the sea. It's been great getting to know all the other apartment Owners too. We all do our own thing, but there are regular opportunities to meet up for coffee, or birthday celebrations in the Owners' Lounge. And the communal gardens here are beautiful, the best in the county!”

Malcolm, Harington Lodge, Chichester

Our Lodge Managers help facilitate a programme of social events. Across our 200 Lodges, over 20,000 social events are held each year, including coffee mornings; prosecco & cake afternoons; fish and chip nights; book clubs; knit and natter get togethers; tai chi classes; movie nights and much more, as well as our big national Macmillan “World's Biggest Coffee Morning” events which last year raised over £57,000.

Every spring we hold “Warming Morning” fundraising events where developments choose a local charity to support. The Churchill Foundation match-funds the four biggest fundraisers according to their development size. Family and friends are always welcome and for our selling sites these are opened to the public.



Trustpilot 4.5 Star Rating



HBF 5 Star Customer Satisfaction

During Mental Health Awareness Week many of our developments held 'Let's Connect' coffee mornings to raise awareness of the importance of communicating and socialising to combat loneliness and improve mental health.

The Queen's Platinum Jubilee was a fantastic success: we planted over 50 new trees at our selling developments and our Offices; and we also hosted 215 Jubilee Celebrations around the country. These were greatly enjoyed by our Owners and our Colleagues.



In 2021 a total of £57,000 was raised for Macmillan Cancer Support.

Giving back to our communities

Community involvement

Lodge Owners and Colleagues up and down the country hosted coffee mornings, cake sales, bake-off competitions, and raffles to help support Macmillan Cancer Support's World's Biggest Coffee Morning campaign.

Some Colleagues even went the extra mile with personal challenges to boost the fundraising total, like the 'Walking 9 to 5' team from Churchill's Ringwood and Exeter offices which raised over £2,000 by taking on a gruelling sponsored hike through the Wye Valley.

The Company also donated £5 for every new Customer who made an appointment to visit its Sales Offices at new developments across the country.

Our Lodge Owners tend to be active members of their community, with many continuing to work or volunteer during their spare time. We run a variety of initiatives throughout the year to help encourage Owners to socialise, help out, and get involved in activities that benefit their local communities.



Connecting the generations

Across all our developments we look to forge close links with local schools to encourage older and younger people to connect across the generations. This can range from Christmas carol services to burying time capsules, Easter Egg hunts to art and nature projects, all taking place in the Owners' communal Lounges or within the communal gardens at our Lodges.

These activities bring mutual benefits, helping each age group to learn from and challenge one another as well as simply enjoying each other's company.

Queen's Green Canopy – Platinum Jubilee tree planting initiative

In Spring 2022 we planted over 50 trees at our developments and offices across the country as part of the "Queen's Green Canopy" Platinum Jubilee initiative, helping to highlight the value of trees and woodlands as nature's way to clean the air we breathe, slow the impact of climate change, create important wildlife habitats and improve our general health and wellbeing.

“

This has been a fun project for the school to get involved in and a wonderful opportunity for the children to meet with people from the wider community in Reigate and learn from them about the past.”

Sandcross Primary School Headteacher, Mr Mark Richards

The Churchill Foundation

Beyond our core business of building, selling and managing retirement housing, our positive impact goes well beyond that through the work of the Churchill Foundation, our own registered charity, and through the incredible endeavours of our Colleagues, Owners and Business Partners to raise money for charity.

The Churchill Foundation enables us to focus on supporting local communities where we build as well as national charities, based on our chosen three core areas:

- **The relief of sickness, disease and human suffering**
- **The promotion of health amongst the elderly**
- **The support and wellbeing of the young**

The Churchill Foundation is proud to have raised over £1,750,000 and supported over 200 different charities since it was set up in 2015.

Here are just a few things the Foundation has achieved in 2021/22:

- **Raised over £7,500 for 50 different local charities through our Warming Mornings initiative in February.**
- **Supported 21 different charities through our Colleagues Charity Choice initiative, with a total of £12,000 in donations to a wide range of causes including the Alzheimer's Society, Samaritans, The Brain Tumour Charity, Action for Children, and local hospices, special schools and care homes around the country.**
- **Made a £5k donation to Oakhaven Hospice in Lymington in memory of Colleague Geoff Southwell, who sadly died in 2020 after a brave battle with cancer.**
- **Awarded one-off special grants to a range of charities and local causes nominated by our Owners, Colleagues and Business Partners including Swim Bournemouth, St Wilfrid's Hospice (Eastbourne), and Brain Tumour Research.**



Our social priorities and progress

Our Social priorities are

- **Creating a dynamic working environment in which all Colleagues feel valued, proud and able to benefit from the Company's success**
- **Delivering a market-leading product and exceptional customer service that enables our Owners to enjoy an independent, safe and secure lifestyle**
- **Giving back to the communities in which we work, build and live**

Our Colleagues	Our Owners	Our Communities
Priority To create a dynamic working environment for our Colleagues	Priority To enable our Owners to enjoy an independent, safe and secure lifestyle	Priority To give back to the communities
Progress <ul style="list-style-type: none"> • 61 promotions during the year, 63% of which were female Colleagues • 215 new roles created • 59% of Colleagues are female • 26 mental health first aiders • 384 hours of mental health first aid training • 720 hours of health and safety training • No fatalities on site during the year • No RIDDOR dangerous occurrences • Supporting Colleagues with personal development such as obtaining academic qualifications or becoming members of professional bodies such as CIOB, RTPI and RICS 	Progress <ul style="list-style-type: none"> • 5 Star HBF Customer Satisfaction rating for eighth year • 93% of customers said they would recommend Churchill Retirement • Over 20,000 social events organised throughout the year • Jubilee Celebration parties • Let's Connect coffee mornings for mental health awareness • Summer garden parties 	Progress <ul style="list-style-type: none"> • £57k raised by Colleagues and Owners for Macmillan Cancer Support's World's Biggest Coffee Morning Campaign • £2k donated to Miles For Mia, a Dorset-based charity raising funds for Brain Tumour Research • £5k donated to Oakhaven Hospice in Lymington in memory of a Colleague • £1.75m raised by the Churchill Foundation since 2015



Pillar 3: Governance

Being a responsible business

Effective governance is essential to achieving long-term value, maintaining a good business reputation and generating long-term success. The Company must be led by a strong team promoting ethical practices, prudent management and a fair working environment.

The success of the Company is of critical importance to all its stakeholders, its Owners and wider Society and the ESG Strategy is an integral part of that growth journey.

Leadership framework

Churchill is a family-led business, operating in the construction and management of specialist retirement living accommodation since 1994. PLC Board members bring a wide range of experience and depth of knowledge to the company. Our directors share 300 years of combined experience in the housebuilding industry.

Governance is led from the top with a three-tier approach to leadership oversight:

PLC Board

- **Membership:** five executive and four non-executive members
- **Meets quarterly**

Executive Committee

- **Membership:** executive directors and company secretary
- **Meets monthly**

Operations Board

- **Membership:** the senior management team
- **Meets monthly**

In addition, various committees have been established - Audit and Risk, Remuneration and Approvals- these committees report back to the PLC Board and Executive Committee.





Our company values

Our company values – Trust, Openness, Respect, Communication and Honesty – define our approach to good corporate social responsibility.

TORCH reflects the ethos of the Company and these values are embedded across the business, forming part of all training as well as our wider learning and development programme.



At the heart of our business, our TORCH Ambassadors ensure every Colleague understands and embraces our TORCH values. They act as a first point of contact for sharing ideas, help and feedback, as well as being a Colleague voice. At year end we had 29 TORCH Ambassadors promoting our values across the business.

Our quarterly 'Churchill Heroes' awards enable peer-to-peer recognition for Colleagues, who can be nominated for their commitment to our TORCH values and for going the extra mile to support Colleagues and ultimately benefit the Company. Quarterly winners are also added to a shortlist for our Colleague of the Year, and can win up to £500 in gift vouchers.

Promoting ethical business activities throughout the group

Ethical business practices are the foundation of the long-term sustainability of the business itself and adherence with relevant regulatory frameworks is underpinned by our Company-wide governance policies, which include:

- **Anti-Money Laundering policy** – guides Colleagues to ensure they are conducting themselves in accordance with the highest ethical standards and in compliance with Anti- Money Laundering Regulations
- **Bribery, Gifts & Hospitality policy** – applies to all Colleagues, consultants, sub-contractors and agents, providing guidance when giving or receiving gifts and hospitality. Any form of bribery or facilitation payments are prohibited. The policy is underpinned by a centralised register for declarations by Colleagues.
- **Modern Slavery Act Statement** – applies not only to our own working practices, but also to all suppliers, contractors and subcontractors, who are required to adhere to this to help ensure that our supply chains are robust. This reflects our zero tolerance to slavery and human trafficking anywhere across our supply chains.
- **Speak Up Policy** – underwritten by the Group's TORCH values, this is designed to develop, and maintain a culture of accountability and transparency and encourage Colleagues to speak up if they have concerns regarding fraud, misconduct, or wrongdoing.

This policy runs alongside a formal Speak Up Procedure which ensures Colleagues can effectively report their concerns, anonymously if needed, to ensure there is accountability at all levels of the organisation and a culture of trust and respect for all.

All our policies advocate the conducting of fair, transparent business transactions and ensures ethical professional and legal standards are maintained across the Group. They are all approved by a member of the Board of Directors and are regularly reviewed to ensure compliance with the ever-changing landscape of law and regulations and to align with best practice.

As a medium-sized privately owned company we are not subject to a formal corporate governance code. Nevertheless, the Board has recently benchmarked itself against the Wates Principles, and will continue to do so annually, as an opportunity to demonstrate that as the company grows, good corporate governance practice is at its heart.





Prudent risk management

The Board recognises the importance of a risk-aware culture and that behaviours of Colleagues, business partners can impact on the overall effectiveness of the risk management framework.

The Board is responsible for setting and monitoring the risk appetite for the Group. Our Internal Audit team is responsible for providing assurance on how effectively the risk management framework is designed and operating.

The Company aims to ensure that it is promoting compliance with regulatory requirements and ethical business practices by recording areas of risk on a legal risk register, measuring the risk, and assessing how these risks can be controlled or mitigated. This register is a good mechanism to audit any areas of legal compliance that require improvement or ongoing monitoring.

Details of the framework and the most significant risks to the Company are set out in the Annual Report.



Our governance priorities and progress

Our priorities for measuring our governance responsibilities are

- To ensure our business has strong leadership, and is a fair, transparent and honest working environment
- To encourage all our Colleagues to live up to our TORCH Values

Ethical governance	Company values
Priority To promote strong ethical governance	Priority To live up to our TORCH values
Progress <ul style="list-style-type: none"> • 300 years of combined experience in the housebuilding industry at Board level • Strong senior management team • Clearly defined decision-making framework up to Board oversight for the business • Robust risk map and framework regularly reviewed by the Board and the Internal Audit team • Group-wide governance policies approved at Board level 	Progress <ul style="list-style-type: none"> • Company values clearly instilled across the business • 29 TORCH Ambassadors in place at year end • Quarterly Churchill Heroes awards

Key performance indicators

for the year ended 30th June

As this is the first year of our ESG reporting, some of the data is not available for the whole year and has not therefore been included as it is incomplete.

	2022	2021	2020
ENVIRONMENTAL			
Demolition waste (cubic metres)	N/A		
Construction waste to landfill (Tn)	N/A		
Construction waste diverted/recycled (Tn)	N/A		
Office waste to landfill (cubic metres)	N/A		
Offices – electricity used (kWh)	N/A		
Offices – gas used (kWh)	N/A		
Offices – energy generated	N/A		
Brownfield sites (land exchanges in year)	N/A		
Density (dwellings per hectare)	N/A		
Solar panel energy generated (kWp)	149.62		
Developments within 500m of public transport (5)	100%		
GREENHOUSE GAS EMISSIONS			
Scope 1 (tCO ₂ e)	269	235	
Scope 2 (tCO ₂ e) location based	359	497	
Scope 3 (tCO ₂ e)	539	349	
Intensity ratio in metric tonnes CO ₂ e per £m	5.83	6.75	

Over the coming years we are focused on monitoring, reporting and driving improvement across all these metrics.

	2022	2021	2020
SOCIAL			
Percent of Colleagues who are female	59%	61%	62%
Senior management who are female (%)	34%	30%	27%
Number of promotions	61	14	27
Number of new positions	215	160	-
Hourly gender pay gap	35%	29%	-
Social events organised at our Lodges (number) (average estimate)	20,000	-	-
Customers who would recommend us (%)	93%	95%	95%
Amounts raised for charity (£k)	£128.8	£89.2	£242.1
HEALTH AND SAFETY			
Health and safety training (number of hours)	720	-	-
Fatalities (number)	0	0	0
Enforcement notices (number)	0	0	0
Prosecutions (number)	0	0	0
RIDDORS + 7 days (number)	2	2	5



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