

Bellway



Building a Resilient Future
Climate Transition Plan, July 2026

Welcome to our first Climate Transition Plan. A significant milestone for Bellway, it sets out how we will deliver long-term environmental responsibility and prepare for the future.

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Meadowcroft development,
Longframlington

Executive Summary

Building a resilient, Net Zero future

We are delighted to launch our first Climate Transition Plan (CTP), marking a significant milestone in our commitment to sustainability and preparing our business for future regulation. This plan sets out our long-term ambition to achieve Net Zero emissions by 2045, ahead of our centenary in 2046. It forms a cornerstone of our strategy as a responsible business, designed to make our business more resilient to the regulatory and physical challenges of climate change.

Since beginning our carbon reduction journey, we have made strong progress—recognised by winning the ‘Best Carbon Reduction Initiative’ at the 2024 Building Innovation Awards. We have calculated a detailed carbon footprint across Scopes 1, 2 and 3, placing us in a strong position to meet mandatory carbon reporting requirements. Our 2030 near-term Science Based Target was achieved early: by the end of FY25 we had delivered a 48.3% reduction in Scope 1 and 2 emissions and advanced work on Scope 3 measurement and reduction.

Building on this success, we have now set longer-term targets for 2035 and 2045, aligned with the updated SBTi Buildings Sector Guidance.

Operationally, the transition from gas boilers to all-electric heating is one of the most significant changes our industry has faced. To prepare for the Future Homes Standard, we partnered with the University of Salford on the Energy House 2.0 project and continued to innovate through our Manchester Division’s award-winning Future Hub, which showcases what the Future Homes Standard could look like. These initiatives have helped us engage colleagues, our supply chain, and the wider industry in the move to all-electric homes.

We also play an active role in the Future Homes Hub, contributing to working groups, research, and events. Our CTP aligns with the Hub’s New Homes Sector Transition Plan, and we will report against the New Homes Environmental Metrics introduced in 2025.

On embodied carbon, we have produced a Life Cycle Assessment in line with the RICS methodology to establish a baseline for our targets. To support this, we are increasing the proportion of timber-frame homes and have invested £20 million in our own timber-frame factory, Bellway Home Space, which opened in January 2026.

“This plan sets out our long-term ambition to achieve Net Zero emissions by 2045, ahead of our centenary in 2046.”

John Tutte
Chair, Bellway p.l.c.



We have structured this CTP around the recommendations of the Transition Plan Taskforce’s pillars of:

1. Ambition

We have clear targets for 2035 and 2045 across all scopes of emissions.

2. Action

We have identified implementation, and engagement plans to deliver the necessary reductions.

3. Accountability

We will harness the governance structure through our board oversight and our Responsible Business Strategy.

Through the production of this CTP, we position Bellway to respond to the risks and opportunities presented by climate change, ensuring that our business can play a part in creating a more sustainable future.

Bellway at a glance



Lilibet Gardens development,
Bolton



Fielders Quarter development,
London

Our homes

We build high-quality homes designed to complement the style of existing local housing in developments that meet local demand and enhance the community. With a range that extends from one-bedroom apartments to six-bedroom family homes, we offer an extensive choice from which customers can choose a property that fits their particular requirements. We also provide homes to housing associations for social housing.

We are committed to being a responsible housebuilder. Our aim is to operate our business in an ethical and sustainable manner, while at the same time building attractive, desirable and sustainable developments where customers want to live in harmony with existing communities.

We focus on delivering desirable family homes across Great Britain, along with apartments designed for young professionals, primarily within London's boroughs. Our work in London is concentrated mainly in the outer boroughs.

Our business

We are proud to have heritage rooted in the north east of England, where the business was founded 80 years ago.

Headquartered in Newcastle upon Tyne, our 20 divisional offices cover the main population centres across England, Scotland and Wales.

Our divisional structure allows local management teams to respond to specific demands in their geographical areas and, through their detailed local knowledge, acquire land on which to design and build homes that meet or exceed the expectations of our customers, contributing to the creation of strong, local communities. The divisional teams are supported by our Regional Chairs and by our specialist Group Head Office teams.

2,746

people employed by
Bellway on average in FY25

48,684

homes completed
FY21 to FY25

246

average number of
trading outlets in FY25

Introduction to the plan

Past, Present & Future

In 1946, when John T. Bell laid the foundations for the company that would later become Bellway, the atmospheric concentration of carbon dioxide (CO₂) stood at approximately 310 parts per million (ppm). By 2026, as we launch Bellway's first Climate Transition Plan, that figure has risen to 427.87ppm (NOAA, 2025), with the effects of climate change increasingly evident across the globe. Our long-term ambition is to reach Net Zero emissions ahead of Bellway's centenary in 2046.

In response to the challenge of climate change, we have made carbon reduction a central business priority within our long-term strategy. This Climate Transition Plan (CTP) outlines how we will achieve our ambitious goal of reaching net-zero by 2045. Informed by the recommendations of the Transition Plan Taskforce.

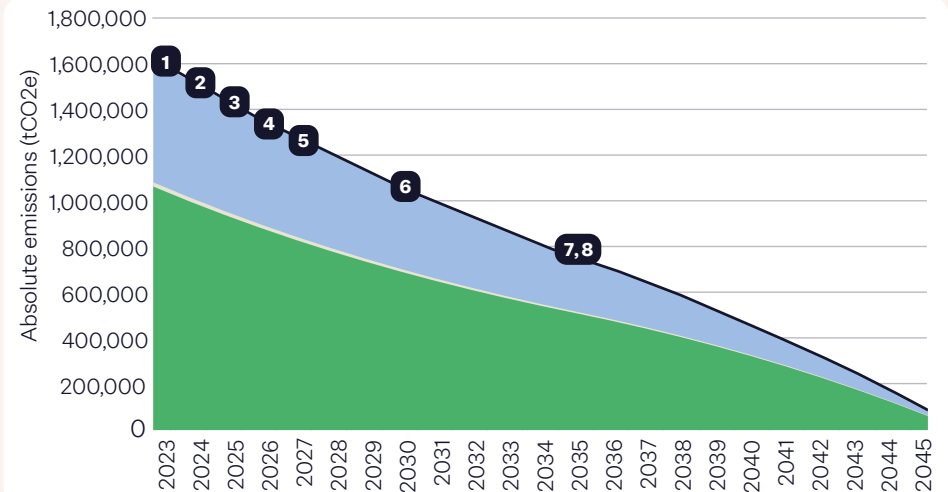
We have made significant progress since setting our Science Based Targets in 2022. Notably, we achieved our 2030 Scope 1 and 2 emissions target five years ahead of schedule, and we continue to increase the proportion of gas free 'all-electric' homes year-on-year. Our groundbreaking partnership with the University of Salford's Energy House 2.0 continues to deliver valuable insights, and we actively engage with the wider industry through our membership of the Future Homes Hub.

We recognise that reaching net-zero emissions by 2045 presents considerable challenges—particularly in addressing embodied carbon—but we remain confident that, in collaboration with our supply chain partners, we can drive the transformation needed to help avoid the worst impacts of climate change.

Transition Taskforce Recommendations: Ambition, Action, Accountability

Established in March 2022, the Transition Plan Taskforce aims to establish best practice for organisations Climate Transition Plans. We have structured our CTP around the three pillars of the TPT: **Ambition, Action and Accountability**. We have also carried out a gap-analysis against the 19 sub-sections of the TPT, to identify where we can improve in future.

Our commitment: net zero by 2045



John Thomas Bell (1878–1965)
founder of Bellway Homes

Key

- Scope 3: Embodied Carbon (tCO₂e).
- Scope 1 & 2 (tCO₂e).
- Scope 3: 'Other' (tCO₂e).

Actions:

- 1** University of Salford Energy House 2.0 project starts **See more on page 15**
- 2** Trial of energy efficient construction site setups **See more on page 13**
- 3** First Bellway Supply Chain Conference delivered **See more on page 20**
- 4** Bellway Homespace Timber Factory Opens **See more on page 18**
- 5** Future Homes Standard comes into force **See more on page 14**
- 6** 30% of output in Timber Frame **See more on page 18**
- 7** Smart enhancements to Future Homes Standard **See more on page 15**
- 8** Decarbonisation of the electricity grid **See more on page 14**

Introduction to the plan continued

Levers and Dependencies:

The dependencies identified in the New Homes Sector Transition Plan are also applicable to our Net Zero ambitions:

- **The Future Homes Standard (FHS):** The move to 'all-electric' homes, mandated through the implementation of the FHS is a key dependency for our transition to net zero.
- **Grid Decarbonisation:** We require the electricity grid to continue on its pathway to zero emissions. The Government is aiming for 'clean power' by 2030, and the previous target year was 2035.
- **Grid Capacity:** We also need the grid to be able to support the move to all-electric homes, otherwise this could delay developments.
- **Supply Chain Decarbonisation:** A significant proportion of our Scope 3 'embodied' emissions is in the carbon associated with products in our supply chain. We need our suppliers to reduce the carbon intensity of products for us to meet our scope 3 goals. The New Homes Sector Transition Plan modelled carbon reduction in bricks based on Ibstock's ambitions of achieving Net Zero for Scope 1 & 2 by 2040.
- **Technology availability and Sub-contractor skills:** We require the availability at-scale of key renewable technologies, air source heat pumps and solar PV, along with our sub-contractors upskilling to correctly install the technology.
- **Customer Preferences:** We require customers to positively respond to the introduction of the FHS, choosing new-build homes with air source heat pumps and solar PV, over older properties with gas boilers.

Future Homes Hub: New Homes Sector Transition Plan

Bellway is an active member of the Future Homes Hub, where we contribute to key groups including the Leadership Council, Sustainability and Performance Group, and Solar PV Group. Through this collaboration, we have helped shape sector-wide approaches to decarbonisation. A major outcome of this work is the New Homes Sector Transition Plan, developed in partnership with the Carbon Trust.

The New Homes Sector Transition Plan provides a shared framework for the industry, identifying the critical levers and dependencies needed to achieve net zero and setting out a clear decarbonisation roadmap for new homes.

Alongside the plan, the Future Homes Hub has introduced new environmental metrics and targets, which Bellway will report against as part of our commitment to transparency and continuous improvement.



Royal Bowland Park
development, Manchester



Ambition

Strategic Ambition

08



Strategic Ambition

Net Zero Targets

Our long-term strategic ambition is to reach Net Zero emissions across all emissions scopes by 2045, just ahead of Bellway's centenary celebrations in 2046. In early 2025 we worked with the Carbon Trust to develop targets in line with the new Science Based Targets Initiative's Buildings Sector Guidance, in accordance with an emissions reduction pathway that avoids 1.5°C of global warming.

FLAG Emissions

Our 2025 project also involved us calculating our Forest, Land and Agriculture (FLAG) emissions for the first time, to understand if they were material. Across all of our scopes of emissions, FLAG accounted for 1.4%, which is less than the 20% threshold for materiality, meaning a separate target was not required.

Scope 3 Embodied Carbon

A further significant change under the Buildings Sector Guidance is the requirement for a separate 'embodied carbon' scope 3 target, if embodied emissions are more than 20% of an organisation's total carbon footprint. Under our previous targets, emissions from the materials we use to construct our homes were included together with a calculation of the operation of our homes, this is no longer the case.

2030 Science Based Targets (set in 2022)

Scope 1 & 2 emissions:

46%

absolute reduction from a 2019 baseline (achieved in FY25)

Scope 3 emissions:

55%

reduction in Scope 3 carbon intensity per m² of delivered floor area (2019 baseline, updated to align with new SBTi guidance)

Scope 1

Construction site fuel use and natural gas supplied to our stock plots and offices are the most significant elements of our Scope 1 footprint.

2035 Near-Term Science Based Targets

Scope 1 & 2 emissions:

72.1%

absolute reduction (2019 baseline)

Scope 3 (embodied) emissions:

68.7%

reduction per m² (2023 baseline)

Scope 3 (other) emissions:

66.3%

reduction per m² (2023 baseline)

Scope 2

Scope 2 emissions are related to the consumption of grid electricity in our offices, stock plots and construction sites.

2045 Net Zero targets

Scope 1 & 2 emissions:

90%

absolute reduction (2019 baseline)

Scope 3 (embodied) emissions:

97.9%

reduction per m² (2023 baseline)

Scope 3 (other) emissions:

97.0%

reduction per m² (2023 baseline)

Scope 3

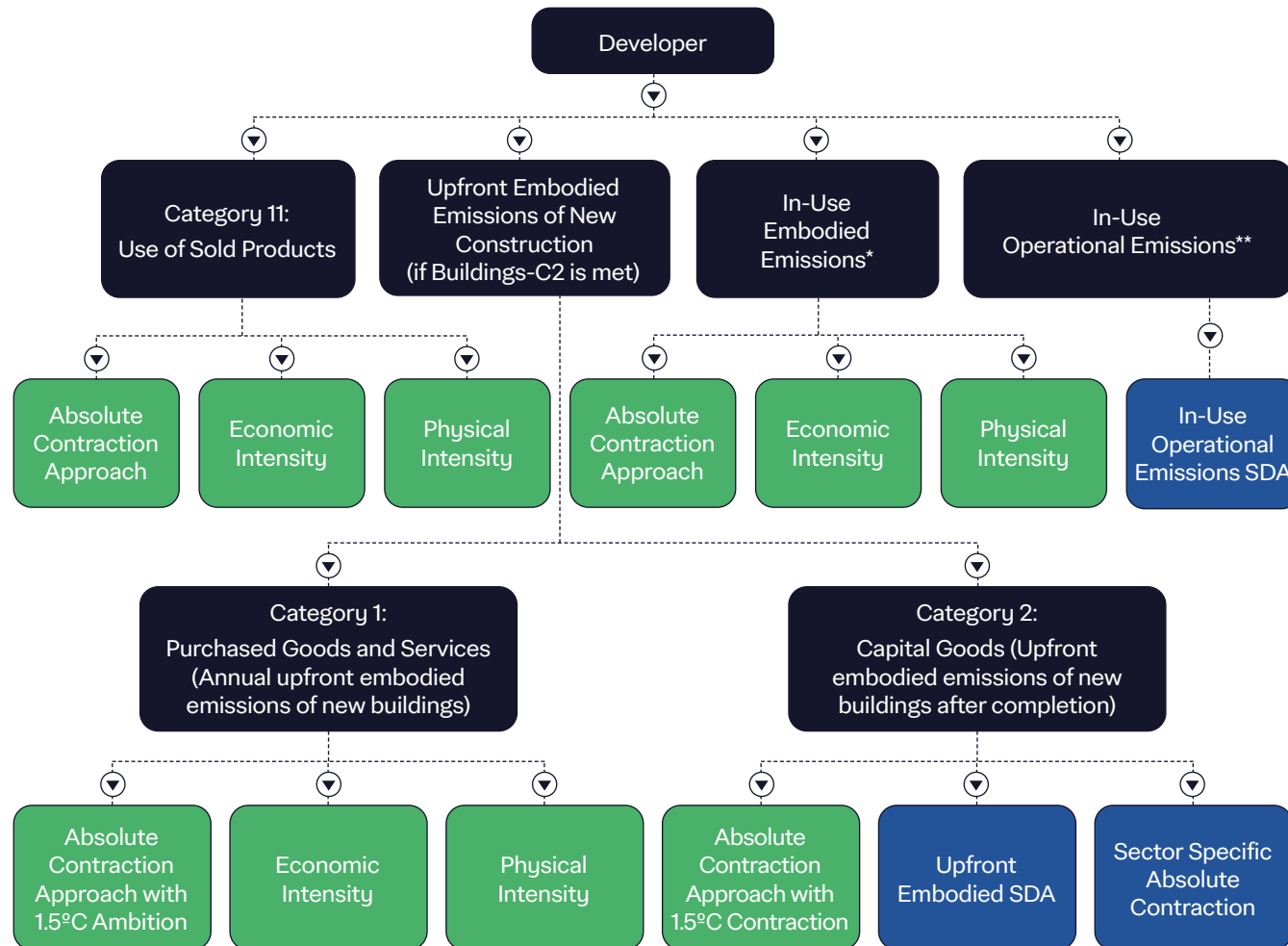
Embodied carbon in our construction products and the emissions from the future operation of our homes make up the most significant portion of Scope 3 emissions.

* Updated 2035 & 2045 targets are now approved by SBTi.

** Science Based Targets are subject to SBTi review every five years.

Strategic Ambition continued

Target mapping flowchart for developer



- To set targets with this method, companies shall refer to the SBTi Buildings Criteria and SBTi Building Target-Setting Tool
- To set targets with this method, companies shall refer to the SBTi Corporate Standard and SBTi Cross-Sector Target-Setting Tool

* Note that some portion of the in-use embodied emissions occurring may not form part of the minimum boundary according to the GHG Protocol.

** If Buildings-C1 is met, the developer will be further classified as owner-lessor and/or owner-occupier and/or property manager. The SBTi document can be found here: <https://files.sciencebasedtargets.org/production/files/STi-Buildings-Criteria.pdf>

Carbon Trust Support

Bellway has worked with the Carbon Trust since 2021, when we originally started to scope out our first set of 2030 Science Based Targets. They have reviewed our carbon footprint for the last three years against the ISO 14064 standard; to provide assurance against the numbers we included in our Annual Report & Accounts. The Carbon Trust also supported our 2025 project to create Net Zero targets aligned with the updated SBTi 'building sector' guidance.

Science Based Targets Initiative (SBTi)

In 2022 we gained approval from the Science Based Targets Initiative (SBTi) for our 2030 goals. Our updated Net Zero and 2035 Near Term targets were approved by SBTi in July 2026.

SBTi Buildings Sector Guidance

As Bellway is a Developer we are required to use the Buildings Sector Guidance for our targets. Key requirements we are required to comply with under this guidance are:

- **Forestry, Land and Agriculture (FLAG):** emissions must be calculated. If FLAG emissions are more than 20% of total footprint, a target is needed. We calculated FLAG emissions to be 1.4% of our total footprint, so they are out of scope.
- **Scope 3 Embodied Carbon:** If emissions from upfront embodied carbon are more than 20% of total footprint, then a specific target is needed. In FY23 our embodied carbon was 34% of our total footprint, meaning a target is required.
- **Scope 1 & 2 targets** must be 'absolute contraction,' rather than physical intensity.
- **Near-Term Targets** must be set within 10 years of the baseline year.

Strategic Ambition continued

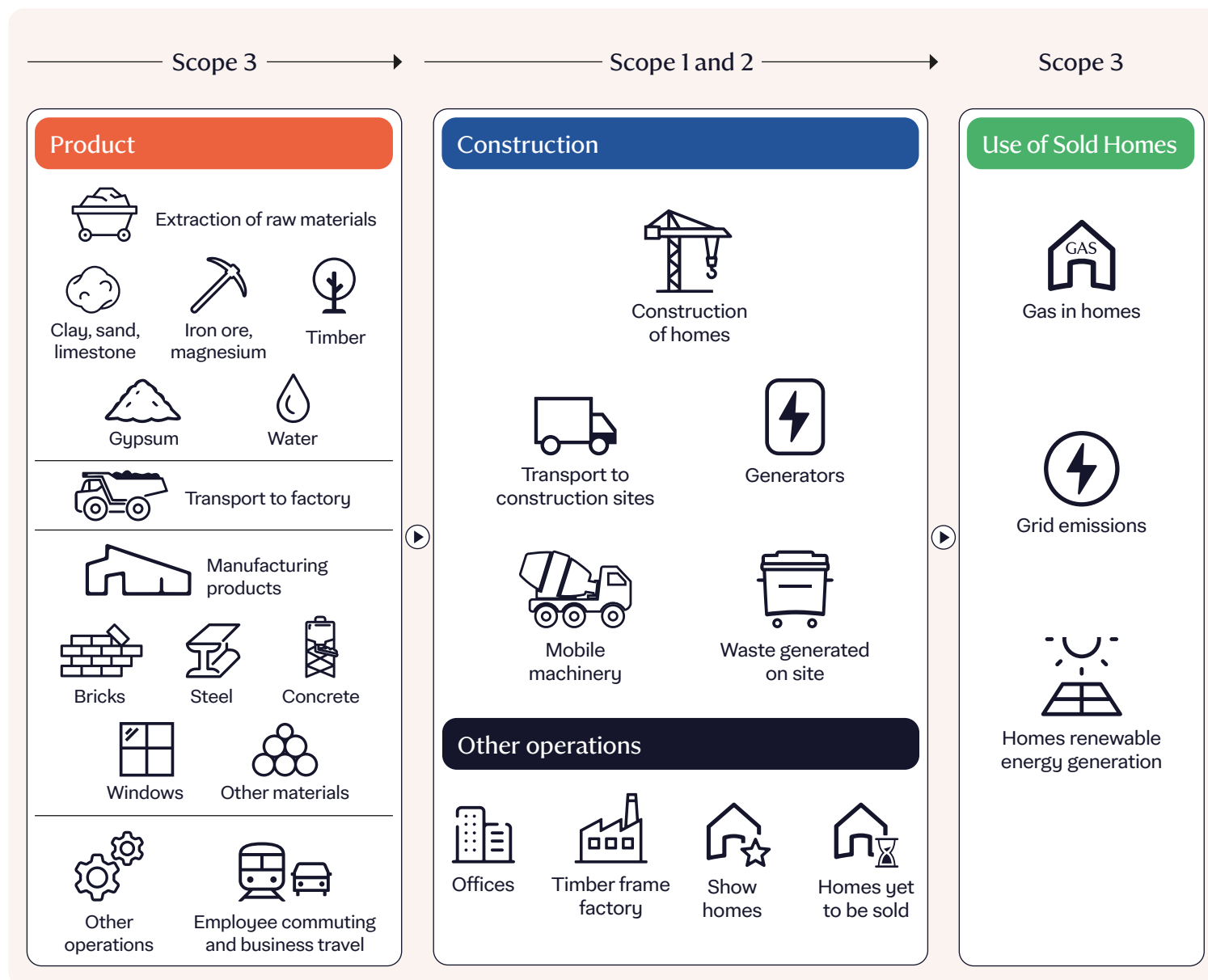
Bellway's Value Chain

Bellway's carbon footprint spans the entire lifecycle of our homes:

- **Upstream Scope 3 (Materials & Transportation):** Most embodied carbon comes from raw material extraction, manufacturing, and transportation of building products. Bellway's Life Cycle Assessment maps emissions across all products used in our homes.
- **Construction & Other Operations:** Site-based construction activities, divisional offices, show homes and our Bellway Home Space Timber Frame Factory also generate carbon emissions.
- **Downstream Scope 3 (Use of Sold Homes):** The operation of completed homes is the largest source of emissions in the value chain, driven by heating and energy use over a notional 60-year period.



Above: Freshly fired bricks rolling out of the kiln at Forterra's Brickworks, Kirton. Bellway purchases approximately 100m bricks each year, making clay brick manufacturing a significant part of our value chain.



Strategic Ambition continued

Carbon Reduction Objectives

Alongside our Net Zero and 2035 targets we have additional Strategic Objectives and Key Performance Indicators within the Carbon Reduction Business priority under our strategy.

Further strategic objectives cover:

- Conducting net-zero feasibility studies for our owned offices.
- Investigating smart home technologies – batteries and demand side response.
- Completing plots in our Southern Counties Division to the Passivhaus standard.
- Supporting SME Housebuilders with the transition to the Future Homes Standard.

Further Key Performance Indicators include:

- The number of 'all electric' plots completed.
- The number of homes completed including Solar PV.
- The percentage of our new homes assessed at Energy Performance Certificate (EPC) level A or B.
- The percentage of purchased electricity that is certified as zero carbon through Renewable Energy Guarantee of Origin (REGO) certificates.
- Our CDP Rating for 'Climate' and 'Supplier Engagement'.

-A 'Climate', -A 'Supplier Engagement'

- Tonnes of Waste per completed home. (FY25: 5.7 tonnes per home).
- The percentage of homes completed in Timber Frame (FY25: 14.1%).

Our award-winning show home at Southern Counties Division Perceval Grange development. Property includes an Air Source Heat Pump, Solar PV and Rainwater Harvesting System



Perceval Grange development, Midhurst



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Implementation Plan

Scope 1 & 2 Emissions

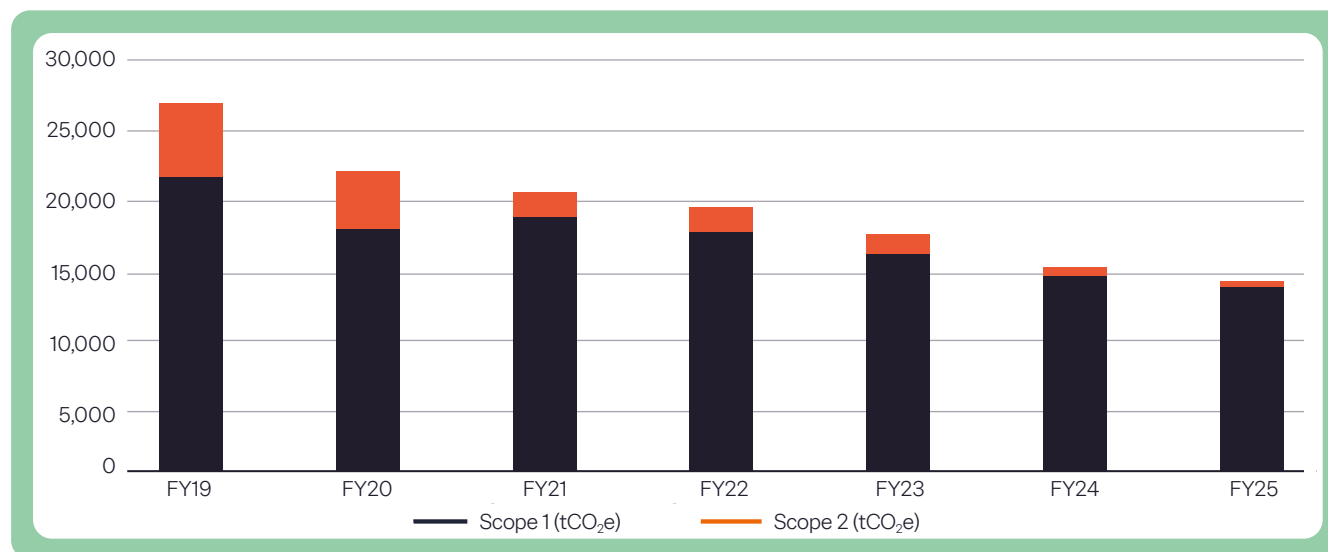
In accordance with the Greenhouse Gas Protocol, we report all direct emissions under the categories of Scope 1 & 2. Scope 1 emissions are produced by the combustion of fuel in offices and owned vehicles, and the release of fluorinated gasses. Scope 2 emissions are related to the consumption of electricity from the grid. We achieved our original 2030 objective of reducing Scope 1 & 2 emissions by 46% five years early in FY25, with a 48.3% reduction.

Key actions we have taken to reduce our Scope 1 & 2 emissions:

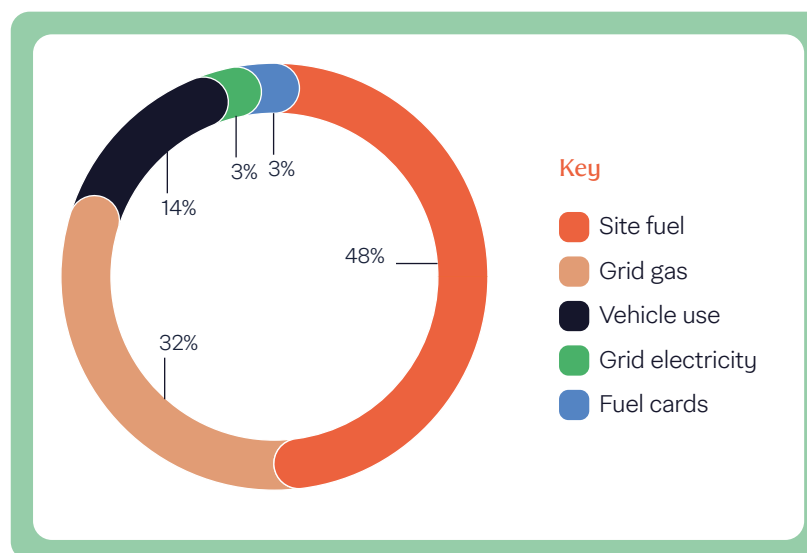
- Successfully trialling a switch to Green Diesel (Hydrotreated Vegetable Oil, HVO) on our construction projects.
- Trialling energy efficient technology on our site compounds, including generators with Battery Storage Units (BSUs), which reduce running times by over 70%.
- Moving to renewable energy (REGO) contracts for grid supplied electricity.
- Carrying out energy audits under the Energy Savings Opportunities Scheme (ESOS).
- Installing Voltage Optimisation (VO) equipment to reduce electricity demand in our offices.

Plots that are complete but not yet sold are also included in our Scope 1 & 2 footprint. As a result, with the move to all-electric homes, we will see a significant reduction in gas use and associated emissions.

Scope 1 & 2 Emissions (Market Based Method) FY19 – FY25



Scope 1 & 2 Emissions: FY25 Breakdown (Market Based)



Nixon's Hire Battery Storage Unit

Implementation Plan continued

Scope 3 (other) Emissions

In our FY23 baseline year, Category 11a ('use of sold product') accounted for the largest share of our carbon footprint, totalling over 900,000 tCO₂e. These emissions are calculated based on the estimated carbon released during the operation of our homes over a notional 60-year reference period, in line with guidance from the Royal Institute of Chartered Surveyors (RICS).

The adjacent chart shows the comparative carbon emissions of a home with a gas boiler, which stays at 1.29tCO₂e per year, and an 'all-electric' home, which starts at 0.52tCO₂e per year. From day one an all-electric home reduces emissions by 59%, and over the 2025 to 2045 period the all-electric home reduces emissions by 79%.

Key dependency: electricity grid decarbonisation. Energy Emissions Projection (EEP)

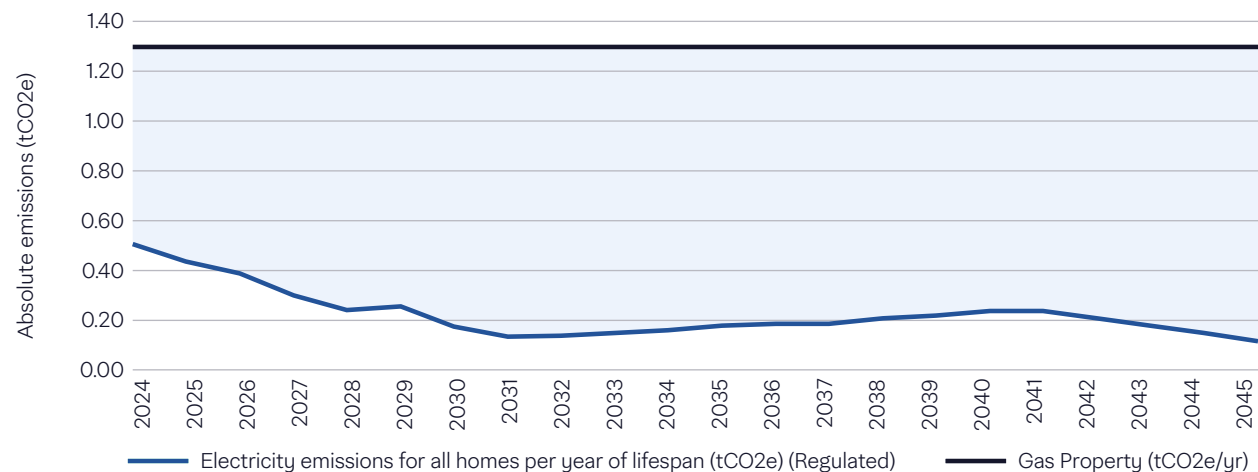
Under this methodology, homes fitted with gas boilers are projected to maintain steady emissions throughout the reference period, reflecting the limited expected decarbonisation of the gas grid. In contrast, all-electric homes benefit from the ongoing decarbonisation of the UK electricity grid, with emissions declining over time and potentially reaching net-zero, assuming continued progress.

This trend is already evident: between 2008 and 2025, the carbon intensity of UK electricity has fallen by over 50%, driven by the phase-out of coal-fired power stations and the expansion of renewable energy, particularly wind and solar. (CarbonBrief, 2024).

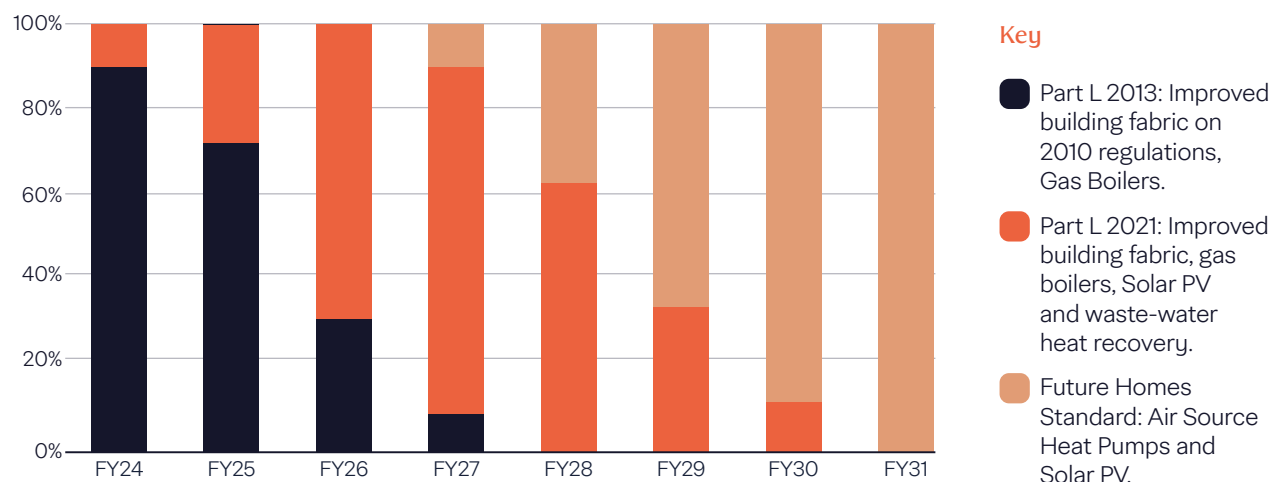
All Electric Homes

With the Future Homes Standard formally launched in March 2026, a key policy dependency is now in place. This milestone enables Bellway to meet its Science Based Targets initiative (SBTi) commitment to phase out the installation of fossil-fuel heating systems, supporting progress toward our 2035 and 2045 Scope 3 'other' emissions targets.

Gas vs Electricity 2025 to 2045



Indicative Transition to Future Homes Standard



Implementation Plan continued

Scope 3 (other) Emissions continued

The Government launched the Future Homes Standard in March 2026, with associated emissions reductions expected to begin from March 2027 onwards.

We are seeing the number of all-electric homes steadily increase from 315 homes in FY24 up to 714 homes by FY25. This increase in all-electric homes is driven by many factors, including availability of gas-supplies, stipulations from land-agreements and requirements of local authorities. With over 1,000 all-electric homes completed in the last two years, we are in a strong position to move to 100% electric once the FHS comes into force.

University of Salford Energy House 2.0

To prepare for the introduction of the Future Homes Standard, Bellway participated in a long-term study at the University of Salford's Energy House 2.0. This involved constructing a home to anticipated Future Homes Standard specifications within a temperature-controlled chamber capable of simulating temperatures from -20°C to +40°C, plus wind, snow, rain and solar radiation; the climatic conditions typical of most of the planet's habitable land areas.

Bellway constructed our 'Coppersmith' house-type within the research chamber. This three-bedroom home has been adapted to meet Future Homes Standard requirements and incorporates a range of new technologies that are expected to feature in our developments in the coming years.

Three independent reports produced by academics at Salford assessed building fabric performance, initial system performance, and optimised system performance. We have incorporated lessons learnt from Energy House 2.0 into the designs for our Bellway Collection of homes.



Energy House 2.0 Heating Reports

Two heating performance reports have been produced through the Energy House 2.0 project. The initial report demonstrated that a home can be heated effectively using our combination of underfloor heating, radiators and a monobloc air-source heat pump. The second, optimised report, identified further efficiency gains by removing components that were not required.

"These insights will be invaluable as we try to reduce the carbon emitted in heating our homes, while ensuring people are warm and comfortable in their homes without paying too much on their bills."

Richard Fitton

Professor of Building Performance
at the University of Salford

Implementation Plan continued

Scope 3 (other) Emissions continued

Air Source Heat Pump Rollout

Building on the findings from Energy House 2.0, Bellway has refined our heating system designs to increase simplicity and efficiency. We are now working with our 20 Divisions to implement the installation of Air Source Heat Pumps, progressing the roll-out across developments. In parallel, we are collaborating with manufacturers to identify optimal products to support scalable, efficient deployment as we transition to low-carbon heating solutions.

Future Homes Standard & Bellway Collection

To prepare for the introduction of the Future Homes Standard we are updating the designs for our Bellway Collection of 50 core house types. The main changes of the FHS are:

- Improved building fabric performance achieved through wider cavities and increased levels of air tightness
- Solar PV systems become a 'functional' requirement
- Switch from gas-boilers to monobloc Air Source Heat Pump Systems or low-carbon district heating

Scope 3: 'Other' Carbon Breakdown (FY23)	
Emissions Category	
1b Non-Product Purchased Goods and Services	1.5%
3 Fuel Related Upstream Emissions	0.3%
3 Electricity Related Upstream Emissions	0.15%
6 Business Travel	0.25%
7 Employee Commuting	0.15%
11a Regulated Gas Emissions	90.3%
11a Regulated Electricity Emissions	1.5%
11b Unregulated Gas Emissions	1.85%
11b Unregulated Electricity Emissions	2%
12 End of Life	2%

Future Homes Standard –
Philosopher House type Revit Design.



▼ Mandatory Solar PV systems

◀ Improved building fabric performance achieved through wider cavities

▲ Switch from gas-boilers to monobloc Air Source Heat Pump Systems

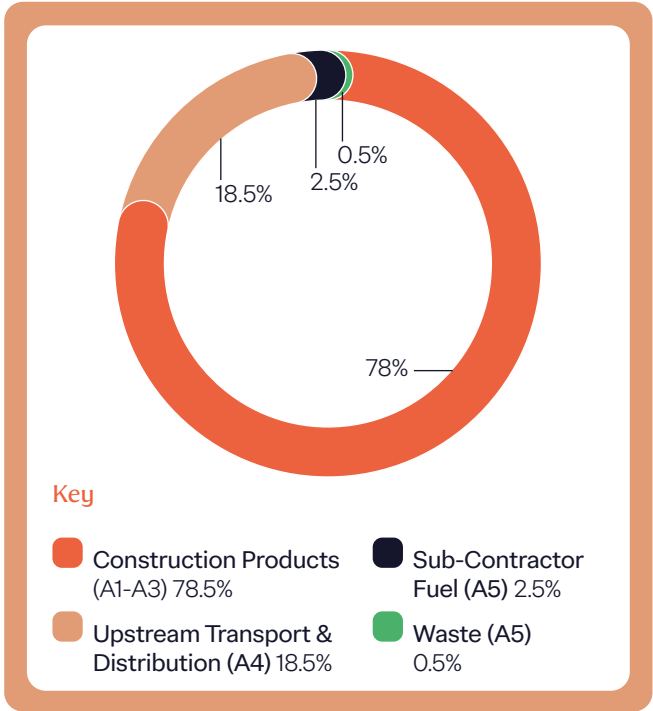
Implementation Plan continued

Scope 3 (embodied) Emissions

Scope 3 category 2 ‘Capital Goods,’ totalling 539,754tCO₂e in our baseline year of FY23, is our second highest category of emissions after ‘use of sold product.’ In accordance with the updated Buildings Sector Guidance, this category includes Scope 3 emissions previously reported under ‘purchased goods and services’.

As per the Future Homes Hub New Homes Sector Transition Plan, we have identified Concrete, Clay, Steel and Asphalt as key materials contributing to our upfront embodied carbon emissions.

Scope 3: Embodied Carbon Breakdown (FY23)



As upfront embodied carbon emissions are more than 20% of our total carbon footprint we are required to set a specific target.

Bellway’s Life Cycle Assessment (LCA)

A key document in Bellway’s Scope 3 emissions calculation is our Life Cycle Assessment (LCA), first produced in 2022 by the Head of Technical & Innovation and assured by Verco Global.

The LCA analyses emissions associated with the construction of our homes in line with the RICS Whole Life Carbon Methodology, and uses a detailed mapping schedule to identify key products.

We work closely with our supply chain to source Environmental Product Declarations (EPDs) for embodied carbon data, and where EPDs are unavailable, we apply alternative sources such as the Inventory of Carbon Emissions (ICE) database. This approach places Bellway ahead of organisations using EEIO methods, which rely on spend-based calculations and cannot incentivise the adoption of lower-carbon products that may carry a premium.

We updated our LCA in FY25 to align with the latest RICS guidance (effective July 2024) and updated calculations to include all works within the curtilage of a typical Bellway plot, plus the externals fronting on to the plot such as roads and sewers.

Material quantities are calculated using weighted averages across representative house and flat types. The assessment covers A1–A3 product stage emissions (cradle-to-gate), A4 transport emissions, and A5 construction emissions, applying BEIS/DEFRA factors and CIBSE TM65 principles for MEP products. These calculations are integrated into the LCA tool for reporting Scope 3 impacts across Bellway’s value chain.

Under the LCA we have identified the following products as being the most significant from a carbon perspective:

Ranking	Material/Product	Intensity (kg/CO ₂ e/plot)	Data Source
1	Concrete	4712	Trade Association EPD
2	Clay Brick	3962	ICE Database
3	Aircrete Brick	3579	Trade Association EPD
4	Window	1060	Trade Association EPD
5	Mortar	900	ICE Database
6	EPS Floor Insulation	821	Trade Association EPD
7	Concrete Roof Tile	667	ICE Database
8	Concrete Floor Beam (T)	649	Trade Association EPD
9	Plasterboard (Wall Board)	480	Manufacturer EPD
10	Radiator	303	ICE Database

Implementation Plan continued

Timber Frame Construction

Timber Frame Construction

Timber is a key material to reduce our embodied carbon emissions. During their growth phase, trees **sequester** carbon dioxide from the atmosphere, this CO₂ is then **stored** in the wood for the lifetime of the product. Timber also acts as a **substitute** material for higher carbon products, most notably concrete blocks, which are the 3rd most carbon intensive product identified in our Life Cycle Assessment.



'Bellway Home Space' – Timber Frame Factory

Bellway Home Space is our new 135,000 sq ft manufacturing space developed in partnership with Donaldson's Timber Systems and fitted with state-of-the-art robotic machinery from Swedish manufacturer Randek.

The factory has started to supply Bellway with timber frame kits to eight divisions, with production increasing to around 3,000 homes each year by 2030 and has created 80 new jobs, with the majority recruited from the local area with many new to the construction sector.

Bellway's investment in timber frame construction reflects its commitment to delivering much-needed high-quality energy efficient homes, together with achieving its growth ambitions by increasing the build speed and efficiency on construction sites.

Coppersmith: Future Home Design

Located within our Bellway Home Space timber frame factory, a Coppersmith house has been constructed to support the development of future façade solutions in collaboration with our supply chain partners. Working with suppliers including Ibstock and Mauer, we have evaluated a range of façade options, such as traditional 102.5mm clay brick, a concrete alternative, a slimmer 65mm clay brick, and various brick-slip systems. This assessment identified potential embodied carbon savings of 34% to 66%, depending on the façade selected.



Future Home at Bellway Home Space Factory

Climate scenario analysis

Climate scenario analysis

The World Meteorological Organisation confirmed that 2024 was the hottest year on record, averaging about 1.55°C above pre-industrial levels¹. With this increase in temperature, we are already starting to experience some of the physical impacts of climate change here in the UK, with 2024 recorded as the ‘wettest’ winter² and spring 2025 among the driest on record³.

In FY25, we worked with a partner to update our physical climate scenario analysis, using three distinct future emissions scenarios across short (2024 – 2040), medium (2041 – 2060) and long-term (2061 – 2080) timeframes. The climate scenario analysis was conducted on 105 different sites, including 62 developments, 22 offices, 1 timber frame factory, and 20 strategic land sites.

The analysis aimed to identify potential physical risks associated with climate change, including investigations on heatwaves, rising mean temperatures, flooding, water stress, sea level rise, and wildfires.

Timeframe	Year(s)	Rationale
Short-term	2024 - 2040	The short-term allows for the prioritisation of risks and opportunities to be included within operational, financial, and capital planning.
Medium-term	2041 - 2060	The medium-term allows for the changes in the physical risk impacts to be monitored between the short and long-term timeframes. The datasets show clear changes between the short and long-term timeframes.
Long-term	2061 - 2080	The long-term ensures that the average lifespan of homes, which by industry guidance is typically up to 60 years, is accounted for.

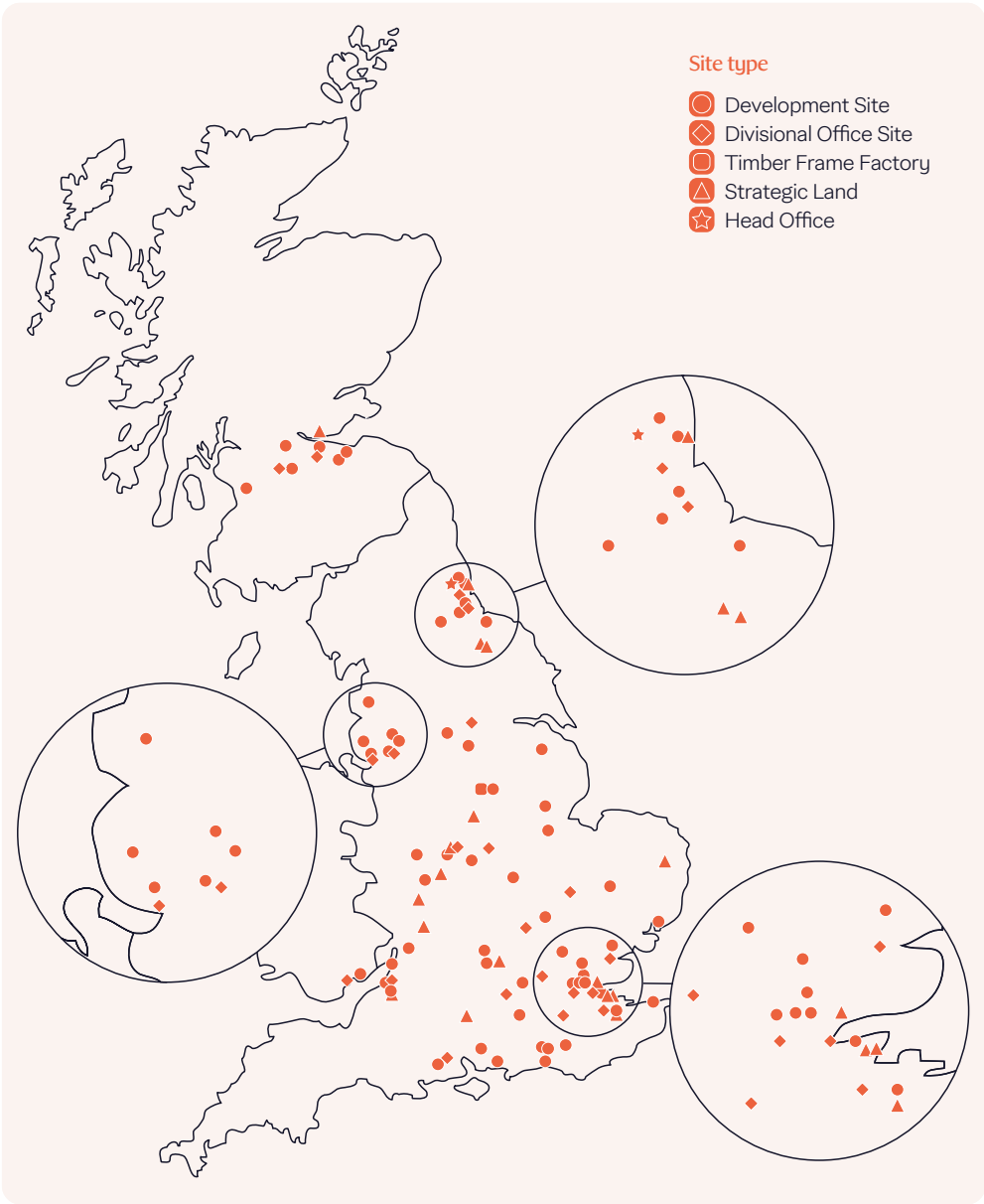
1. <https://wmo.int/news/media-centre/wmo-confirms-2024-warmest-year-record-about-155degc-above-pre-industrial-level>
2. <https://www.carbonbrief.org/met-office-a-review-of-the-uks-climate-in-2024/>
3. <https://www.metoffice.gov.uk/about-uas/news-and-media/media-centre/weather-and-climate-news/2025/double-record-breaker-spring-2025-is-warmest-and-sunniest-on-uk-record>

The map to the right shows over 100 different sites that were used during the climate scenario analysis.

Following the initial presentation of the physical climate risks, a climate risk workshop was held with representatives from Group Office functions. The objective of the workshop was to review the findings and assess the current control measures. Bellway has already implemented a range of mitigation strategies aimed at managing some of the identified climate-related risks.

The climate models used for our updated FY25 analysis include data from:

- Intergovernmental Panel on Climate Change;
- Representative Concentration Pathways (‘RCP’);
- International Energy Agency’s World Energy Model; and
- Network for Greening the Financial System.



Engagement Plan

Industry Alignment – Future Homes Hub

Bellway is a member of the Future Homes Hub, which aims to bring together the homebuilding sector, including housebuilders, suppliers, finance and the government. We are aligning our reduction strategy with the Future Homes Hub's New Homes Climate Transition Plan and actively contribute as members of the Hub to support sector-wide progress toward net-zero.

Supplier Engagement Programme

Responsible sourcing is a business priority and we have made good progress in engaging with our supply chain partners since 2023.

Highlights from our engagement to date include:

- Organising our first ever Supply Chain Conference in London, with over 176 representatives from our supply chain.
- Organising 50 supply chain discovery meetings with our top suppliers, to explain our strategy, and ask for details of supplier's own decarbonisation plans.

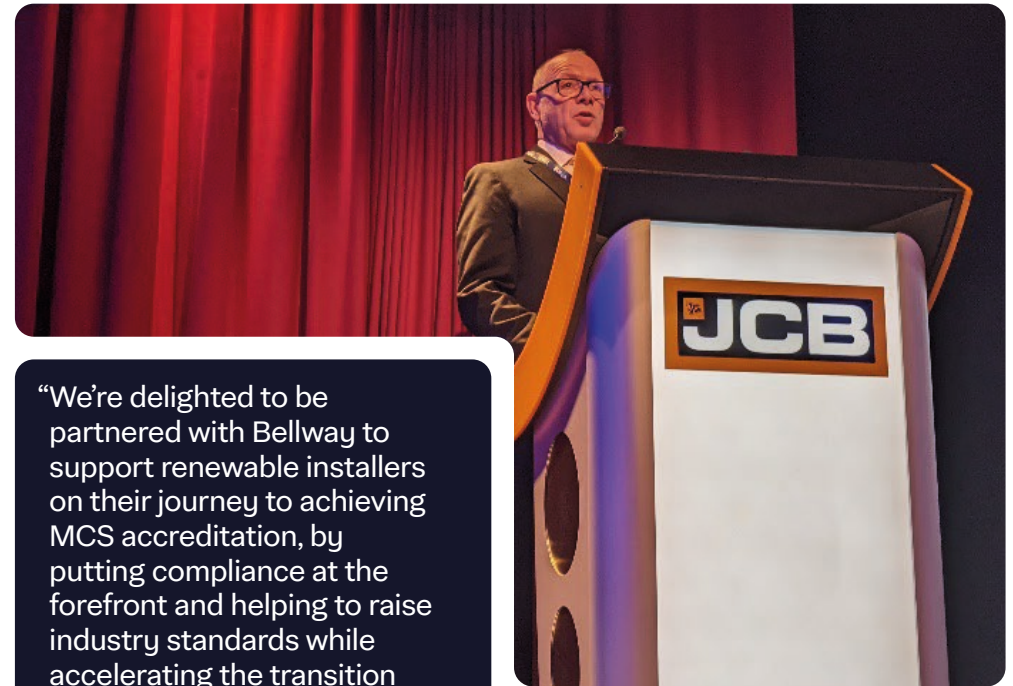
- 100 of our top suppliers achieving Supply Chain Sustainability School 'Gold' by December 2024.

Our updated target for FY26 is to deliver a measurable supplier engagement programme, which will include:

- Updating our value-chain map identifying products with the most impact covering Climate, Water, Forests, Biodiversity and Plastics.
- Organising in-depth meetings with key suppliers identified in the mapping process by end of FY27.
- Issuing a survey to all materials suppliers asking about environmental issues, net-zero ambitions and the adoption of science based targets.
- Mandating 100% of our 130 group suppliers achieve SCSS/Ecovadis Gold.
- Aiming for 500 sub-contractors to be signed up to the Supply Chain Sustainability School.
- Colleagues from Group Technical and Commercial supported Supply Chain Sustainability School Groundworkers conference at JCB's HQ in September 2025.

The Supplier Engagement Programme will support our 2035 embodied carbon target and provide evidence for our CDP submission across the 5 categories.

SUPPLY CHAIN SUSTAINABILITY



“We’re delighted to be partnered with Bellway to support renewable installers on their journey to achieving MCS accreditation, by putting compliance at the forefront and helping to raise industry standards while accelerating the transition to a more sustainable future.”

Dan Martin-Burrows
Green-Pro (Easy MCS)

Jamie Bursnell, Head of Technical & Innovation speaking at the SCSS Groundworks Conference at JCB's HQ, September 2025.

Sub-Contractor Engagement & Just Transition

Bellway is committed to a just transition, ensuring that no one is left behind in the move to net-zero emissions. To support heating contractors traditionally focused on gas boiler installations, we are promoting uptake of the Microgeneration Certification Scheme (MCS) for air source heat pumps. While MCS certification is not mandatory,

it enhances installer competence and reduces the risk of customer care issues.

We have partnered with a specialist provider to assist contractors in achieving MCS accreditation, hosted webinars to raise awareness, and negotiated discounted certification support. Looking ahead, MCS accreditation will become a mandatory requirement for any installer working on Bellway.

Engagement Plan continued

Customer Engagement Plan

To ensure our customers receive the best experience possible, Sales Advisors are briefed to confidently explain the new technologies included in Future Homes Standard homes, such as Solar PV and Air Source Heat Pumps. We will also train colleagues to expand on the benefits of Electric Vehicle Chargers (EVCs) and the enhanced fabric of our homes, to provide a complete picture of energy efficiency improvements.

Sales Managers have received detailed, face-to-face training on new technologies. To support ongoing learning, we are developing digital resources, including training videos and webinars, to ensure new starters and existing staff can refresh their knowledge as needed. Engagement with suppliers and third-party training will continue as an additional layer of support.

A strong example of best practice comes from our Durham division, which hosted a Future Homes Day, inviting suppliers to present to staff. We shared this approach at the Sales Directors Conference to encourage similar initiatives across our 20 Divisions. We recognise that with transitions of this scale, messages need to be reinforced over time and through multiple channels to ensure consistent understanding.

For customers, information on new technologies is provided during home demonstrations, ensuring they understand how their systems work. In addition, the Bellway website will continue to evolve with more content, including customer-focused videos on Air Source Heat Pumps and Solar PV. As the number of fully electric homes grows and industry confidence in these technologies increases, our online resources will expand accordingly.



Mr Smith, from Victoria Gate, Stafford development

Designed for the future, and today

Our new builds use less energy from day one, and with modern heating and thoughtful material choices, our homes will keep you warm and your running costs manageable. Less environmental impact; more sustainable.

[Find out more →](#)

Example of content on Bellway website



“We have just spent our first winter in the new house and when it was coldest I was only paying about £50 a week for the energy bills, which included running a hot tub in the garden too. We are amazed and delighted at the savings we are already making.”

The Smith Family
at Victoria Gate, Stafford

“We couldn’t love our home anymore. The Bellway Exemplar home really did make it possible not just to buy our first home but also to feel secure about our future within the home.”

First Time Buyers
at Victoria Gate, Stafford

Engagement Plan continued

Staff Engagement Plan

To prepare for the implementation of the Future Homes Standard and the move away from gas boilers, we have engaged with colleagues across the business using a number of methods, including:

- Developing a 'Future Homes Hub' site on our award-winning Pathway staff intranet site.
- Producing detailed technical guidance documents for Air Source Heat Pumps.
- Delivering presentations at staff conferences for Technical, Commercial, and Construction Directors.
- Running briefing sessions for colleagues working in Sales.

Bellway's Future Hub launches to give practical insight on how to build all-electric low-carbon homes

Internal and External Engagement

Our Manchester Division has established the Bellway Future Hub, featuring four homes built to the anticipated Future Homes Standard. These homes incorporate underfloor heating and air source heat pumps and serve as a platform for internal training and external engagement. Events hosted in partnership with the Future Homes Hub have welcomed SME housebuilders and supply chain partners, fostering industry-wide learning.



SME Engagement Day

Our Manchester division hosted an SME Engagement Day, organised with the Future Homes Hub.

Attendees, who included SMEs and supply chain partners, were shown our Future Hub, which showcases air source heat pump installations.

"The successful implementation of the Future Homes Standard is crucial to the UK's net zero project, but it involves upskilling across the entire workforce, this is a particular challenge for SME housebuilders."

Mathew McAdam
Managing Director, Manchester



Andy Burnham, Prime Minister,
at Energy House 2.0

Accountability

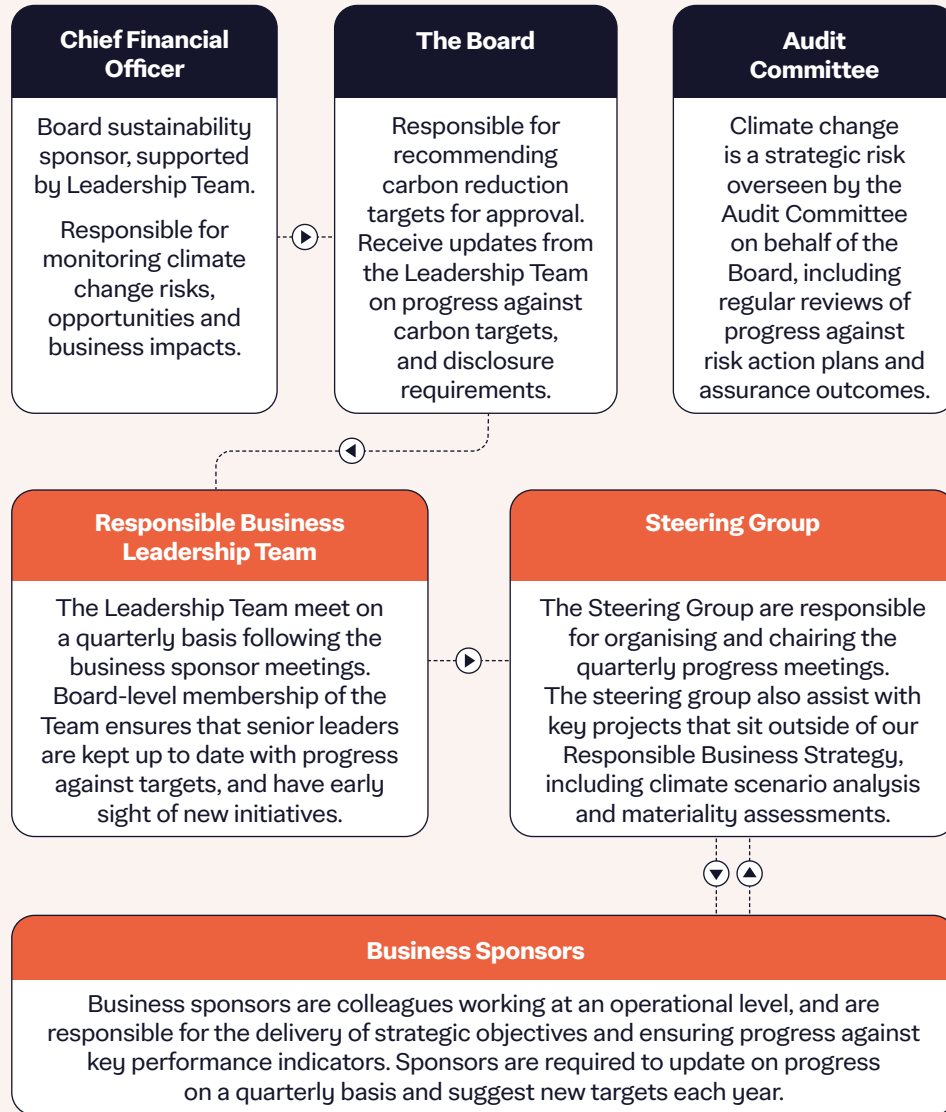
Accountability

24



Accountability

Governance and management



Accountability

Carbon Reduction is one of our key business priorities. We have a long-established. As part of our strategy there is a long-established governance framework supporting the delivery of the strategic objectives and we regularly track progress against key performance indicators.

Governance engagement, business and operational metrics and targets

Governance of this Climate Transition Plan falls under the same framework which oversees our Responsible Business Strategy. As such, business sponsors are assigned to the priority, responsible for the delivery of actions to reduce emissions across Scopes 1, 2 and 3. The Steering Group meet the Sponsors on a quarterly basis, and report progress to the Leadership Team, which comprises Executive Directors. Three times a year a report is produced for the Board, chaired by our Group Chair.

As mentioned in our Implementation Plan, Bellway has a range of 50+ Bellway Collection house types, which are controlled by our Group Design Team, under the supervision of our Design Director. The Bellway Collection has been updated to accommodate the technologies and fabric improvements specified in the Future Homes Standard.

At Divisional Level our Land and Technical Teams are responsible for creating Developments using the Bellway Collection. Our Commercial Teams oversee the procurement of contractors with the requisite competence to install

renewable technologies, ensuring supply chain partners meet our technical and compliance standards. Construction Teams are accountable for delivering homes in accordance with approved designs and specifications. Customer Care Teams provide post-completion oversight, managing and rectifying any defects to maintain quality and compliance with our operational requirements.

Financial metrics and targets

We have integrated the cost of the Future Homes Standard into our Land Agreements. This forward planning ensure that when the Future Homes Standard comes into force, there is not a negative impact on a scheme's viability.

Greenhouse Gas (GHG) Metrics and Targets

Our Carbon Reduction business priority contains the following headline targets, strategic objectives and key performance indicators:

Our headline targets cover:

- Net Zero by 2045 ambition.
- Near term Science Based Targets for 2035.
- Committing to not install any fossil fuel equipment by the end of 2030.



Accountability continued

Carbon Trust ISO 14064 Assurance

We work with the Carbon Trust to provide limited assurance against the ISO 14064-3 standard for our carbon footprint.

This process ensures the data we disclose in our Annual Report & Accounts is verified and reduces the risk of miss-reporting.

Carbon credits

We have not actively purchased any carbon credits to date. Our net-zero models produced by the Carbon Trust illustrate the potential amount of carbon credits needed to achieve Net Zero by 2045. We will continue to investigate credible and additional carbon offsetting schemes, to ensure that we invest in the most beneficial projects, both to Bellway and the wider environment.

Culture

To create a positive culture around the transition to all-electric homes, we are implementing a multi-faceted approach that engages leadership and provides practical support.

We have presented on the transition to the FHS at Leadership Conferences for Commercial, Technical, Construction, Managing Directors, and Sales Directors, which ensures alignment and commitment at the highest level.

The Pathway System will guide Divisional teams through the transition process, while resources such as the ASHP (Air Source Heat Pump) Video and ASHP onsite Trials will build confidence and understanding of new technologies.

Additionally, initiatives like the Future Hub and Energy House will showcase innovation and provide hands-on learning opportunities. Our partnership with Easy MCS further strengthens this effort by simplifying compliance and certification, ensuring that the move to all-electric homes is both achievable and embraced across the organization.

Skills, competencies and training

We are a partner of the Supply Chain Sustainability School (SCSS) and promote its training to Bellway colleagues, Materials Suppliers and Sub-Contractors to help build the skills needed for low-carbon construction. Strengthening sustainability capability across our supply chain is essential to delivering our transition to net-zero, as many of the emissions associated with our homes arise from materials and subcontracted activity.

Our aim is for all Group Suppliers to achieve SCSS 'Gold' or EcoVadis Gold, ensuring our key partners can demonstrate strong environmental performance and alignment with our carbon-reduction objectives. We are also working to ensure our top 500 sub-contractors are registered with the SCSS, and have written to more than 1,000 companies to encourage participation and build readiness for the changes required to support our net-zero ambition.

Bellway's Awards Success

Since we launched our strategy and created Science Based Targets, we have seen success in key awards, including:



2025 & 2023: Large Housebuilder of the Year
(Housebuilder Awards)



2025 & 2023: Best Sustainability Initiative
(Housebuilder Awards)



2024: Best Staff Development Award
(Housebuilder Awards)



2024: Innovation Award
(Next Generation)



2023: Partner Award for Supply Chain Engagement
(Supply Chain Sustainability School)



2023 & 2024: Best Carbon Reduction Initiative
(Building Innovation Awards)

Frameworks and Benchmarks we're aligned to:



Carbon Disclosure Project



Next Generation Benchmark

We would like to thank Lloyds Bank who reviewed our draft Climate Transition Plan, and for their support with our Next Generation membership.



LLOYDS BANK



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