Greenhouse Gas Emissions Reporting Methodology

Introduction

This document summarises the reporting methodology used to calculate our greenhouse gas (GHG) emissions for the year to 30 June 2025 (FY25), the baseline for science based targets, and the years in between. The current year disclosures are subject to limited independent assurance from Grant Thornton UK LLP. As part of the work carried out to validate our SBTi submission, additional carbon data and a revised methodology has been used to refine the baseline FY22 calculations and as a result the baseline has changed slightly and been restated. The baseline and subsequent numbers now include emissions under the forestry, land and agriculture protocol (FLAG). FY23 and FY24 have been recalculated in line with the revised methodology. This methodology is in line with our requirements to report on greenhouse gas emissions under the requirements of the Companies Act 2006 (Strategic and Directors' Reports) Regulations 2013 and the Streamlined Energy and Carbon Reporting (SECR) regulations.

The company reports its scope 1, 2 and 3 GHG emissions and total energy usage in its Annual Report and Accounts. The majority of our scope 3 emissions relate to category 1 (purchased goods and services) and scope 11 (use of sold product).

Reporting methodology

Our GHG emissions and energy use are calculated using the GHG Protocol Corporate Accounting and Reporting Standard (revised edition).

MJ Gleeson plc report on emissions using a financial control approach. The company has financial control over the operation if it has the ability to direct the financial and operating policies of the operation with a view to gaining economic benefits from its activities. This ensures that the treatment of greenhouse gas reporting echoes the financial reporting methodology in the Annual Report and Accounts.

Approach to restatements and revised baselines

We will conduct an annual review of changes to our operating structure and re-baseline (where required) using actual or estimated data if any of the changes or the cumulative effect of the changes are deemed to be quantitively or qualitatively material.

Scope and key exclusions

The following scope has been applied to the reporting of GHG emissions for the Company's science-based targets for the base year (FY22) and all subsequent reporting years.

Scope 1

Direct greenhouse gas emissions are reported from site fuel use (generators and forklifts), natural gas consumed on site, in show homes and in offices, and business travel in company cars and equivalents.

Scope 1 Land use change emissions (FLAG)

Under the latest SBTi guidelines we are required to include land use change emissions under the Forestry, Land and Agriculture (FLAG) protocol in our scope 1 GHG inventory.

The majority of FLAG emissions are included within scope 1 as the land is within the control of Gleeson when the land use change occurs. Whilst we are not required to set separate FLAG targets, we have

taken the decision to separate these from our scope 1 combustion related emissions as they are material to scope 1 and represent a significantly different type of emission which will need separate consideration in our reduction pathways.

Land use change emissions is an emerging area and as such there is very limited data available in terms of calculation method and conversion factors. There is therefore a high degree of judgement involved in this calculation.

Land use change emissions are calculated by taking the area paved over per plot type (which is calculated in line with our infrastructure calculated including an assumption for average road and pavement length) and multiplying this by an overall conversion factor taken from Accueil Base Empriente (European conversion database). Paved over areas include the house footprint, driveways, roads and pavements across the site. The calculation assumes all areas paved over were previously grassland or cropland. Whilst we build on brownfield sites these frequently have green areas and areas of higher biodiversity. Land use changes are recorded at the point each plot completes.

Scope 2

Indirect greenhouse gas emissions are reported from the use of purchased electricity consumed on sites, in show homes and in offices.

Scope 3

Purchased goods and services accounts for the emissions generated through the lifetime of a home built for homes sold in the year of reporting. The lifetime of a home is considered to be 60 years.

Embodied carbon in construction includes emissions related to the extraction, production and transport of materials to site, maintenance and replacement over the lifetime and end of life treatment of materials which are not considered to be permanent. It also includes the site impacts related to non-direct fuel used on site, and the impact of waste generated from site operations.

Emissions from non-construction activities relates to non-build related business consumption, emissions from capital expenditure, employee non-direct travel and remote working.

Scope 3 FLAG emissions represent the land management and land use change elements of our timber usage.

Embodied carbon in construction

Category 1 Purchased goods and service (extraction, manufacture)

Category 4 Upstream transport and distribution (transport of materials to site)

Category 5 Waste generated from company operations (waste generated)

Emissions from non-construction activities

Category 1b Purchased goods and services - business operations (business consumables such as uniform, PPE, stationery, signage)

Category 2 Capital goods (capital expenditure in the year including show home fit out, IT equipment and plant and machinery)

Category 6 Business travel (train, hotel, taxis, and business element of car travel not in scope 1)

Category 7 Employee commuting (commute element of employee fuel use) and employee remote working (emissions from home working).

Use of sold product

Category 11 Use of sold product reports the GHG emissions from the use of homes by our customers applied over the assumed life of 60 years.

Calculation methodology and assumptions

Scope 1 and 2 data collection and calculation methodology

Conversion factors

Baseline emissions conversions for scope 1 and 2 have been calculated using the most recent UK Government conversion factors for company reporting of greenhouse gas emissions from the Department for Energy Security and Net Zero (DESNZ).

Site fuel

Site fuel emissions are calculated using the quantity of litres purchased for diesel, HVO and bottled gas used on site. The quantity of fuel is recorded from supplier invoices received through the Group's financial accounting software, COINS. A combination of red and white diesel was used in FY22, with red diesel banned from February 2022. Conversion factors for diesel have assumed red diesel use up to February, and white diesel thereafter.

Site electricity and gas

Electricity and gas consumption data is provided on an annual basis by our energy supplier which includes all site gas and electricity used in the year on temporary building supplies, and total usage from connection to completion for show homes and homes built and completed in the year. For plot specific consumption, we report all consumption from meter installation to legal completion in the year of completion, ensuring that use is linked to homes sold in the period. Temporary building supplies to sites is reported based on actual consumption in the year of reporting. As the data is provided for the year to 31 March, an adjustment is made to take into account the number of units sold in the financial year to 30 June compared to the number of units in the consumption data for plot specific use. Current year consumption is adjusted for differences in opening metre readings compared to prior year reported data as a result of estimated data provided by energy suppliers.

Office electricity

Consumption data has been obtained for electricity use at our head office buildings and has been used to extrapolate use at our regional offices based on floor areas. Floor area is based on published EPC information where relevant, with other offices based on marketed floor area. Consumption is included based on the dates occupied to the nearest month.

Office gas

Office gas use has been estimated using national average office gas consumption for offices with a gas supply.

Business travel in company and employee owned cars

Consumption data has been obtained using a combination of reported purchases of fuel on company fuel cards at a standard MPG for each fuel type. A proportion of fuel use for business is applied based on records of business mileage from employee mileage reporting, adjusted by 10% to take into account any additional business mileage not recorded. Expensed mileage is included in scope 3.

Scope 3 data collection and calculation methodology

Scope 3 embodied emissions

Scope 3 embodied emission calculations are based on a combination of life cycle assessments of our main house types using supplier Environment Product Declaration (EPD) data where available, estimates of consumable and smaller items and estimates of wastage, and adjustments where carbon saving technology is used.

Plot specific life cycle assessment – we use a standard bill of quantities for each Gleeson house type, which is input into a life cycle assessment program by resource type. For each resource type, we use a hierarchy of: 1. the supplier specific EPD (where available and appropriate); 2. an industry EPD; 3. an alternative supplier EPD; or 4. a generic value calculated within the software. Calculations are performed for each resource type, covering extraction and production, transport, maintenance and replacement and end of life treatment.

Some smaller items such as painting, screws and other fixings are not separately assessed, with an estimate of 5% of the plot build being applied to cover the emissions from these items.

In addition to the plot specific assessment, an infrastructure assessment is conducted which covers the wider site impacts. This is conducted as a separate life cycle assessment for each house type.

The above assessments use the standard quantities before wastage, and therefore an additional industry average estimate of 10% is applied to the total for each house type, which covers waste and abnormal costs.

The assessment for each house type is multiplied by the number of units of each type sold in the year to give an overall total and a weighted average for the year. The weighted average is used to arrive at the split of emissions by material.

Where additional initiatives are installed, such as air source heat pumps, EV chargers or concrete bricks, an adjustment is made using a calculated average multiplied by the number of units sold in the year for each initiative.

Non-construction emissions are calculated using spend in the year and DESNZ conversion factor, with the result added to the total to arrive at the total embodied emissions for the year.

Scope 3 includes fuel and energy use indirect emissions, including the well to tank (WTT) and transport and distribution (T&D) emissions related to the processing, production and delivery of fuel in both scope 1 & 2 and certain scope 3 categories.

Scope 3 in use emissions

Scope 3 in use emissions are based on a 60 year lifespan of a home. Data on the average electricity and gas consumption for a Gleeson 2 bedroom, 3 bedroom and 4 bedroom house was obtained to give a standard consumption figure for standard house types of a similar size. The annual electricity use is multiplied by the conversion rate in force for the year, with an estimate applied to conversion factors for the next 11 years based on DESNZ 2020 decarbonisation estimates. Beyond year 11, the conversion factor is assumed to remain at the rate expected after 11 years.

Where alternative technologies are applied, such as air source heat pumps, an estimate is applied to calculate the revised energy consumption. Total in use emissions are calculated based on the number of standard units sold in the year adjusted for the number of units sold with alternative technologies. The main technology in use is air source heat pumps (ASHPs) which are assumed to be 300% efficient compared to a gas boiler with 90% efficiency.

Scope 3 FLAG emissions

Scope 3 FLAG emissions represent the timber commodity emissions from land management and change of land use. Land management is calculated using a combination of relevant EPDs, and land use change is calculated by converting the weight of timber used in the year to an equivalent acreage, and multiplying this acreage by the land use change conversion taken from Accueil Base Empriente (European conversion database).

External Reporting

Energy consumption for scope 1 and 2 greenhouse gases is measured and reported in accordance with the Streamlined Energy and Carbon Reporting (SECR) regulations. Consumption is recorded in kWh.

Scope 1 and 2 emissions are reported both as absolute emissions (the total produced in the year) and as an intensity metric per home sold in the year. Scope 1 & 2 science based targets are for absolute emissions per year.

Scope 3 emissions are reported as absolute, intensity per home sold, and intensity per m^2 of floor space sold. Scope 3 science based targets are for emissions per m^2 of floor space of the homes sold in the year.

Electricity consumption is multiplied by the average UK grid emission factor for the reporting year to give the location based emissions.

In addition to location based emissions, the Group separately reports market based emissions, which recognises the purchase of electricity from renewable sources with a lower or zero carbon emissions factor. The Group receives an annual Renewable Energy Guarantee of Origin (REGO) certificate to support the market based emissions reported. Site electricity is REGO backed, with 100% renewable energy applying to sites. Other electricity is not certified, and therefore for market based reporting we convert the remaining electricity based on the residual emissions factor for UK energy.

Reported Numbers

The revised baseline numbers, which will be reported in the Annual Report and Accounts 2025, are as set out below.

Greenhouse gas emissions		2025 [1]	2024 [1]	2022 (baseline) [2]	2022 reported FY2024[1]
Scope 1 - combustion of fuel	tCO_2e	3,096	3,080	3,202	3,202
Scope 2 - electricity purchased for own use (market method)*	tCO_2e	264	256	234	234
Scope 2 - electricity purchased for own use (location method)*	tCO_2e	414	495	511	511
Scope 1 and 2 GHG emissions - combustion (market method)	tCO_2e	3,360	3,336	3,436	3,436
Total scope 1 and 2 GHG emissions - combustion (location method)	tCO_2e	3,510	3,575	3,713	3,713
GHG intensity per home sold - combustion (location method)	**tCO_2e**	**1.96**	**2.02**	**1.86**	**1.86**
Total scope 1 and 2 GHG emissions - including FLAG (location method)*	**tCO_2e**	**10,634**	**10,544**	**11,459**	-
Scope 1 energy consumption	kWh	13,495,346	13,817,027	14,197,513	14,197,513
Scope 2 energy consumption	kWh	2,340,835	2,387,771	2,640,108	2,640,108
Scope 1 & 2 energy consumption*	**kWh**	**15,836,181**	**16,204,798**	**16,837,621**	**16,837,621**
Scope 3 (Category 1a: Purchased goods and services - product)	tCO_2e	83,126	79,492	87,166	79,333
Scope3 (Category 1b: Purchased goods and services - non-product)	tCO_2e	207	307	489	489
Scope 3 (Category 2: Capital goods)	tCO_2e	821	923	1,346	1,346
Scope 3 (Category 3: Fuel and energy use)	tCO_2e	1,163	873	935	
Scope 3 (Category 4 Upstream transportation and distribution)	tCO_2e	639	637	685	685
Scope 3 (Category 5: Waste generated in operations)	tCO_2e	48	52	114	8,331
Scope 3 (Category 6: Business travel)	tCO_2e	423	342	246	195
Scope 3 (Category 7: Employee Commuting)	tCO_2e	599	598	1,284	284
Scope 3 (Category 11: Use of sold products)	tCO_2e	159,124	187,474	215,145	215,145
Scope 3 (Category 12: End-of-life treatment of sold products)	tCO_2e	1,963	1,779	2,660	2,660
Total Scope 3 (excluding FLAG)	tCO_2e	248,112	272,477	310,071	308,468
Scope 3 - GHG intensity per m2 of floor area	**tCO_2e**	**1.831**	**2.073**	**2.149**	**2.138**
Scope 3 - GHG intensity per home sold	**tCO_2e**	**138.38**	**153.16**	**155.04**	**154.23**
Total Scope 3 (including FLAG)*	tCO_2e	251,056	275,386	313,354	308,468
Total Scope 1, 2 and 3 (excluding FLAG)	**tCO_2e**	**251,622**	**276,052**	**313,784**	**312,181**
Total Scope 1, 2 and 3 per m^2	**tCO_2e**	**1.857**	**2.100**	**2.175**	**2.163**
Total Scope 1, 2 and 3 per home sold	**tCO_2e**	**140.34**	**155.18**	**156.89**	**156.09**
Scope 1 and 2 FLAG emissions - direct land use change	tCO_2e	**7,124**	**6,969**	**7,746**	-
Scope 3 FLAG emissions - Timber	tCO_2e	**2,944**	**2,909**	**3,284**	-
Total FLAG emissions	tCO_2e	**10,068**	**9,878**	**11,029**	-

[1] We engaged Grant Thornton UK LLP to provide independent limited assurance over selected 2025 data highlighted in the above table with a * symbol using the assurance standards ISAE 3000 (Revised) and ISAE 3410. The Group's full GHG Reporting Methodology can be found at www.mjgleesonplc.com/sustainability

[2] 2022 and 2024 figures have been restated for changes suggested by the SBTi during their validation process.

Independent Limited Assurance Report to MJ Gleeson plc

Grant Thornton UK LLP ("Grant Thornton" or "we") were engaged by MJ Gleeson plc ("MJ Gleeson") to provide limited assurance over the Subject Matter Information described below.

Limited assurance conclusion
Based on the work we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information has not been prepared, in all material respects, in accordance with the Reporting Criteria.

This conclusion is to be read in the context of what we say in the remainder of this report.

Subject Matter Information
The scope of our work was limited to assurance over selected aspects of the 'Environment' sub-section ("the Report") of the annual report and accounts for the year ended 30 June 2025, listed in Appendix 1 to our report ("the Subject Matter Information").

Our assurance does not extend to any other information that may be included in the Report for the current year or for previous periods unless otherwise indicated.

Reporting Criteria
The Reporting Criteria used for the measurement or evaluation of the Subject Matter Information and to form our judgements are MJ Gleeson's methodology as set out in the Greenhouse Gas Emissions Reporting Methodology ("the Reporting Criteria").

Inherent limitations
The absence of a significant body of established practice on which to draw to measure or evaluate the Subject Matter Information allows for different, but acceptable, measurement or evaluation techniques and can affect comparability between entities and over time. In particular we draw attention to the methodological and assumption based limitations MJ Gleeson have disclosed in the Reporting Criteria.

Directors' responsibilities
The Directors of MJ Gleeson are responsible for:

- the design, implementation and maintenance of internal control relevant to the preparation and presentation of Subject Matter Information that is free from material misstatement, whether due to fraud or error;
- selecting and/or establishing suitable Reporting Criteria;
- measuring or evaluating and presenting the Subject Matter Information in accordance with the Reporting Criteria; and
- the preparation of the Report and the Reporting Criteria and their contents.

Our responsibilities
We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Subject Matter Information has been prepared in accordance with the Reporting Criteria;
- forming an independent limited assurance conclusion, based on the work we have performed and the evidence we have obtained; and
- reporting our limited assurance conclusion to MJ Gleeson.

Our independence, professional standards and quality control
We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We apply International Standard on Quality Management (ISQM) 1, "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" and accordingly we maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Assurance standards and level of assurance
We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements other than Audits and Reviews of Historical Financial Information" ("ISAE 3000 (Revised)"), and in accordance with International Standard on Assurance Engagements 3410 – "Assurance Engagements on Greenhouse Gas Statements" ("ISAE 3410"), issued by the International Auditing and Assurance Standards Board (IAASB). These standards require that we plan and perform this engagement to obtain limited assurance about whether the Subject Matter Information is free from material misstatement.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks which vary in nature from, and are less in extent than for, a reasonable assurance engagement.

Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not report a reasonable assurance conclusion.

Work performed
Considering the circumstances of the engagement our work included, but was not restricted to:
- assessing the suitability of the Reporting Criteria as the basis of preparation for the Subject Matter Information;
- assessing the risk of material misstatement of the Subject Matter Information, whether due to fraud or error, and responding to the assessed risk as necessary in the circumstances;
- conducting interviews with relevant MJ Gleeson management and examining selected documents to obtain an understanding of the processes, systems and controls in use for measuring or evaluating, recording, managing, collating and reporting the Subject Matter Information;
- performing selected limited substantive testing including agreeing a selection of the Subject Matter Information to corresponding supporting information;
- considering the appropriateness of selected carbon conversion factor calculations, other unit conversion factor calculations and other calculations used by MJ Gleeson to prepare the Subject Matter Information including by reference to widely recognised and established conversion factors;
- evaluating the overall presentation of the Subject Matter Information; and
- reading the Report and narrative accompanying the Subject Matter Information in the Report with regard to the Reporting Criteria, and for consistency with our findings.

Intended use of this report
This limited assurance report, including our conclusion, is made solely to MJ Gleeson in accordance with the terms of the agreement between us. Our work has been undertaken so that we might state to MJ Gleeson those matters we are required to state to them in an independent limited assurance report and for no other purpose. We have not considered the interest of any other party in the Subject Matter Information.

To the fullest extent permitted by law, we do not accept or assume responsibility and deny any liability to any party other than MJ Gleeson for our work or this report, including our conclusion.

Grant Thornton UK LLP

Grant Thornton UK LLP
Chartered Accountants
London

Date: 15/09/2025

The maintenance and integrity of MJ Gleeson's website is the responsibility of the Directors; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Subject Matter Information, the Report or the Reporting Criteria presented on MJ Gleeson's website since the date of our limited assurance report.

Appendix 1: Subject Matter Information

Underlying Subject Matter	Units	2025
Total scope 1 GHG emissions – including FLAG	tCO_2e	10,220
Scope 2 – electricity purchased for own use (market method)	tCO_2e	264
Scope 2 – electricity purchased for own use (location method)	tCO_2e	414
Total scope 1 and 2 GHG emissions - including FLAG (market method)	tCO_2e	10,484
Total scope 1 and 2 GHG emissions - including FLAG (location method)	tCO_2e	10,634
Total scope 3 - including FLAG	tCO_2e	251,056
Scope 1 and 2 energy consumption	kWh	15,836,181