



SPHERE GROUP

GLOBAL PARTNERSHIPS.
LOCAL DEVELOPMENTS.

ENVIRONMENTAL SOCIAL AND CORPORATE GOVERNANCE POLICY

1 September 2025

1. POLICY STATEMENT

Sphere is delivering the design, construction and operation of thousands of homes across the West Midlands and recognises the impact that we can have and our duty to drive and improve all aspects of environmental sustainability and social well-being both during the construction of our developments and during the occupation and use by residents.

Purchasers, tenants and funders alike are seeking efficient, healthy, green certified buildings to live and work in. Our ambition is to be recognised as a forward-thinking developer and operator facilitating these requirements. This policy describes what we want to achieve and how we will measure success.

2. SCOPE

This policy applies to Sphere and all its subsidiaries within the group (together “**Sphere**”). All employees and our suppliers, consultants and contractors are expected to support Sphere in fulfilling its responsibilities set out in this policy and to incorporate the ambitions within this policy into the culture of the group and its developments.

This policy also applies to our joint ventures and co-invest partnerships. We will agree with our joint venture partners which elements of the policy apply in conjunction with their own ESHG policies.

This policy sets out specific, measurable and realistic commitments Sphere will be guided by split into our separate spheres of influence, design and construction and operation and occupation.

This policy will be used to generate development specific targets agreed before planning and revisited at each stage of the design, throughout construction and during occupation.

3. DESIGN AND CONSTRUCTION

Environmental Commitments

Construction Techniques: Where feasible we will employ the use of Modern Methods of Construction (“MMC”), such as off-site manufacturing of façades, modularisation of bathroom pods and prefabricated utility cupboards. MMC helps to streamline the construction operations in turn helping to reduce waste, reduce the time (and energy) spent on site thereby minimising pollution and reduce HGV movement at construction sites. This will be measured as a percentage of the contract sum attributable to offsite activities.

Procurement: We pursue policy of sourcing construction materials and products locally or within the UK wherever possible. We require all suppliers to provide information relating to key environmental management issues, including; the adoption of an Environmental Management System (e.g. ISO 14001) and details of the supplier’s company carbon footprint and related carbon

reduction strategies. More specifically, for example, we require Forest Stewardship Council (FSC) certification or equivalent for all projects using timber and BES 6001 certified concrete and we are seeking to minimise the impact of materials containing toxic VOCs sourced through our supply chain. For example, wherever technically feasible we use water-based finishes.

Embodied Carbon: Construction is a significant contributor towards greenhouse gas ("GHG") emissions. Embodied carbon is the sum of all the GHG emissions attributed to the construction materials throughout their life cycle from extracting raw materials and manufacturing constituent building products through operation and disposal. Where beneficial we are beginning to undertake a full life cycle review of the embodied carbon of our building materials. Clear and quantifiable whole life carbon data will aid the pursuit of emissions reductions and allow the incorporation of targets into future iterations of this policy.

Longevity: The attrition rate of building, demolishing and redevelopment of buildings (especially in cities), with all the debris that comes with it, must be challenged. We are driving our designers to ensure the lifespan of our buildings is maximised, maintenance is minimised and space can be re-purposed for future flexibility.

Waste: We are supporting the actions laid out in Birmingham City Council's [Waste Strategy](#) for 2040 by ensuring waste is reduced wherever possible and ensuring recycling and re-use is maximized. To achieve this, we measure the percentage of waste recycled, reused, or disposed of in more environmentally friendly ways than landfill by our main contractors (measured in tonnes/100m²) for example via segregation of materials on site and education of our contractors' workforce. We will stipulate to our suppliers that they must use recycled materials where available and feasible, to minimise "second-hand" waste and therefore reduce the embodied carbon of our building materials before they reach our developments, as well as later in their life cycle.

Sustainable Energy Usage: We are driving the reduction in energy used on our sites through the reduction of diesel fuel on site, on site energy generation and renewable energy tariffs backed by Renewable Energy Guarantees of Origin ("REGO"). We mandate this within our contracts with main contractors and each development will measure the percentage of on-site energy generation and renewable energy tariffs used.

Social And Wellbeing Commitments

Regeneration: Our business model sees us regenerating communities and key city centre areas often providing catalyst for the future growth.

Employment: We are driving local employment opportunities by pursuing a policy of engaging local supply chain partners and, where feasible, small to medium sizes business. We mandate this within our contracts with main contractors and each development will measure the performance and spend within the West Midlands against set targets.

Training: We are driving local training opportunities by mandating a percentage of apprentice hours within our contracts with main contractors and measuring their performance against set targets. We are also committing to building a strong workforce for the future in the property and construction industries by engaging with local schools and educational establishments.

Equality: We provide support for nominated local charities that create jobs and opportunities. We ensure that the working environments that we influence are fair and that to the extent feasible everyone who is working on our developments is paid the living wage established by the Living Wage Foundation. We will measure this on each development through evidence from our main contractors and report the percentage against set targets.

Health and Safety: We only select contractors with the appropriate health and safety standards and will continue to set the tone for our main contractors to deliver safe, healthy and secure developments without incident.

Considerate Constructors: We are committed to the minimum disruption to our neighbours and the local community during construction of our developments and it is policy to actively engage with neighbours before and during the construction phase. We mandate this within our contracts with main contractors to ensure all of our developments are registered with the Considerate Constructors Scheme and where larger enough registered as Ultra Sites. Performance will be measured against the Code of Considerate Practice with a minimum score mandated of Very Good (33-38 points)

4. OPERATION AND OCCUPATION

Environmental Commitments

We work with our designers from the outset of the design process to develop schemes which will reduce the operational carbon emissions. **Our aim is to deliver developments capable of being net zero operationally by 2030.**

Fabric First: Central to the delivery of low carbon and energy efficient buildings is the 'fabric first' principle which recognises the most effective way of minimising carbon emissions is to reduce the demand for heat and power through a well-insulated, energy efficient building fabric and services. This 'fabric first' approach has a number of distinct benefits including:

- carbon savings delivered are 'locked-in' for the lifetime of the building rather than the much shorter lifespan of a renewable energy technology;
- virtually no maintenance and/or replacement costs to maintain carbon reductions through improved fabric; and
- no reliance on an occupier's behaviour to deliver carbon reductions; achieving carbon savings from renewable energy technologies requires education, awareness and, behavioural changes.

Examples of how we work with our designers to reduce energy demand include:

- adopting passive methods to ventilate and regulate the temperature within our buildings to avoid mechanically ventilated cooling systems;
- predominantly utilising unitised curtain walling systems;
- enhanced fabric material specification with u-values which go beyond the requirements of the Building Regulations;
- windows with low u-values and low g-values to balance heat loss and minimise excessive heat gains;
- Incorporating high efficiency lighting targeting 100% of all light fittings as low energy lighting;
- specification of high energy efficient rated appliances that will use less energy and water.

Sustainable Energy Usage: Having reduced demand, we work with our designers to supply what demand is needed in a green-efficient manner, for example:

- connecting to Birmingham City Councils District Energy Scheme where feasible;
- adopting an “all-electric” approach with no fossil fuel heating;
- maximising photovoltaics;
- installing air source heat pumps and/or ground source heat pumps.

Sustainable Water Usage: We are minimising water demand through the provision of water efficient fixtures and fittings such as low flow taps and dual flush WCs, specifying fitting to use less than 105l/p/d, the installation of water meters to allow the monitoring of water consumption which aids water use reduction, the provision of native planting that will reduce the need for watering other than from rainfall and the incorporation of brown and green roofs where possible.

Intelligent Buildings: Having designed our buildings from the outset to be efficient, we are engaging with technology suppliers to install technology to monitor metrics such as water usage, energy usage, air quality, temperature, light and humidity in real time to track building performance and consumption, allowing us to focus on areas in which we can increase the efficiency of the buildings once in use.

Future Maintenance: Considering future needs we seek to design buildings with minimal maintenance and future environmental costs. For example, in the choice of façade material, a brick finish will age without cleaning.

Transport: Our city centre sites have no or limited associated car parking to fully support and encourage sustainable modes of transport, reducing the reliance on private car and the associated emissions. In its place significant numbers of secure cycle storage spaces are made available alongside e-transport, scooters / bikes/ repair hubs ran by external partners. Where parking is provided EV charging points will be installed. The provision of “car-clubs” is also promoted, which allows a larger number of residents access to cars, thus reducing the likelihood of them owning their own vehicles which would have to be parked offsite, in cases where there is a limited number of spaces within their development.

Waste: Our developments make provision for the storage of non-recyclable waste and recyclable waste including dedicated storage for waste in the new homes to encourage residents to recycle waste materials, refuse chutes for ease of access, and compactors to ensure that waste storage space is maximised.

Social and Wellbeing Commitments

Quality of Environment: In conjunction with our designers, using software such as Spacemaker at an early stage in the design process we assess the microclimate impacts of different building models to create developments which deliver the best quality of life for our residents, for example by maximising natural daylight.

Facilities: Our developments incorporate a variety of amenity space, including flexible work / meeting facilities to encourage home working, gym, yoga and spin studios, cinema, games room and sky lounges and where possible active year-round outdoor spaces that increase occupant satisfaction and wellbeing, and inspire and enrich social vibrancy and promote inclusivity, in order to create and sustain a sense of place within the developments. One way we measure this is the percentage gain in biodiversity quality from pre development to post development.

Accreditation: We aim to deliver developments that are capable of achieving global accreditation standards. For example, Fitwel accreditation or WELL certification. These accreditations consider how every element of a building is delivered, from the environmental aspects to the employee and resident behaviour within it.

Equality: We are proud to maintain designs in which our affordable housing units are finished to the same standard as the private units within our developments.

5. GOVERNANCE

Sphere proactively supports global, national and local legislation, planning policy and guidance relating to sustainable design and construction and occupation and use for new developments including:

- at a global level, the United Nations Sustainable Development Goals (SDGs) in particular; No.3 good health and wellbeing, No.7 affordable and clean energy, No.11 sustainable cities and communities and No.13 climate action; and
- at a local level, the Birmingham Development Plan ("BDP") 2031 and the accompanying Sustainable Design Guidance and development specific s.106 requirements.

Internally we ensure every development's innovations whether it is a revolutionary type of material or an innovative energy source are captured and replicated on future developments ensuring consistent betterment.

This policy is regularly reviewed by Sphere's Managing Director to ensure its effectiveness, suitability and adequacy and it may be amended at any time.

End



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