

Sustainability and ESG Strategy

Appendix A – Objectives & Measures Details

Version 0-4

Theme 1: Homes

New Homes – Goal Commitments

1 Integrate ambitious sustainability measures into the new Platform Standard

Seek to achieve net zero carbon ready homes wherever possible, by balancing future carbon performance with financial viability with the aim to get to net zero carbon as soon as possible.

End the installation of fossil fuel heating and energy supplies, moving towards renewables, heat pumps, solar PV and district heating. From 2023/24 we will not build new homes with gas boilers unless by exception.

Target a minimum SAP rating of 81 and seek to gradually increase the average SAP for new homes over the next 5 years.

Develop and roll out standards to address energy efficiency, renewable energy systems, electric vehicle charging, whole life carbon, overheating, flood risk, biodiversity, sustainable transport, materials, water, and waste.

Reducing energy demand through high performing insulation and air tightness levels will be a key consideration alongside sustainable technology.

Adopt approaches such as sustainable drainage systems, shading and ventilation to mitigate the risks of flooding and overheating,

Work with main contractors to reduce waste, increase recycling, and minimise our carbon impacts.

2 Test and Trial new low carbon technologies through innovation and research

Carry out research on the technologies, approaches, and costs of getting to net zero carbon, including life cycle costing alongside capital and operational costs.

Investigate and trial innovative methods and technologies that support more sustainable homes wherever we can and use exemplar projects to encourage learning and development.

Where possible, deliver exemplar zero carbon developments in order to test our approach, targeting standards such as the Future Homes Standard, the London Energy Transformation Initiative's (LETI) Climate Emergency Design Guide and other best practice approaches.

Implement a new approach to MMC (across all categories) that supports our approach to net zero carbon and the circular economy with the aim to build 970 Modern Methods of Construction homes to be started by March 2026.

Scale up delivery of our zero carbon homes through credible supply chain partners.

3 Integrate digital and smart technologies into our new and existing homes

Develop a Digital Property approach to maximise the opportunity of smart home technologies that help to reduce energy consumption and support or encourage sustainable behaviours.

Investigate smart monitoring technologies to understand and optimise the energy performance of our new homes and maximise our learning from the technologies we install and ensure high quality performance levels are achieved.

Existing Homes – Goal Commitments

1 Improve our Asset Data to aid more effective sustainability improvements

Use energy modelling platforms to improve our asset and energy performance data and to plan and cost our future retrofit programmes.

Further develop existing data improvement approaches to resolve gaps and conflicts through energy modelling, stock condition surveys and improved processes.

2 Develop a retrofit plan and programme

Develop a comprehensive Retrofit approach to guide our business towards EPC C by 2030 and net zero carbon by 2050 as well as reducing fuel poverty.

Develop a Retrofit Programme which aligns with our Planned Investment works and Void Programme to identify all retrofit opportunities and optimise costs and resources.

Secure funding from the government and other sources to support the development of our Retrofit Programme.

Set annual and five yearly energy efficiency and science-based carbon targets to ensure we are on track to be net zero carbon by 2050.

3 Effectively manage sustainable and renewable energy assets

Develop the required infrastructure to support the use of our sustainable and renewable energy related assets. This includes skilled personnel, specialist contractors, expert partners, and physical assets such as energy monitoring devices and electric vehicle charge points.

Monitor our energy and sustainability related assets, especially tracking and managing those assets generating an income.

Ensure our sustainable and renewable assets are effectively maintained and serviced using appropriate and specialist contractors (e.g. Solar Photovoltaic (PV) panels, air source heat pumps, ground source heat pumps, district heating and electric vehicle charge points).



Theme 2: Communities

Our Neighbourhoods and Estates – Goal Commitments

1 Maximise our land and green spaces

Identify our land and green spaces and carry out an audit of our natural assets.

Develop a biodiversity action plan which sets out a strategic approach for managing our land and green spaces.

Identify climate mitigation and adaptation opportunities such as reducing flood, fire and overheating risks, reducing air and water pollution for our new developments and existing communities.

Deliver community projects which enhance nature conservation and customer wellbeing, and support the implementation of our biodiversity action plan.

2 Promote reuse and recycling initiatives

Identify priority areas to develop reuse and recycling projects that will deliver maximum value and community benefits.

Research and develop business cases for reuse and recycling projects and approaches to identify most cost-effective options in priority areas and increase social value.

Promote and develop community-based re-use and recycling projects and partnerships (e.g. furniture recycling and repair cafes) to raise awareness, reduce waste to landfill and fly tipping, and drive behaviour change.

3 Support sustainable travel plans

Identify and map sustainable travel opportunities, especially on larger estates, and rural areas where transport links are poor.

Support and develop sustainable travel plans and initiatives where needed on new developments and in existing communities, through improved cycling lanes and facilities, car clubs and electric vehicle charging infrastructure.



Our Customers – Goal Commitments

1 Work with our customers to reduce environmental impact

Increase awareness of environmental issues through communication materials, carbon literacy training and energy advice.

Provide information and support on new or renewable technologies through user manuals and resident guides.

Fully support customers participating in our Retrofit Programme before, during and after the works.

Identify opportunities to reduce damp and mould through education and the introduction of smart technologies and improved ventilation strategies.

Develop approaches to engage with our customers to better understand their needs and aspirations.

Further develop and support environmental and community projects which help customers reduce their environmental impact. These will be monitored and evaluated using both environmental and social value metrics.

2 Reduce fuel poverty

Develop and grow our energy advice services and support to our customers experiencing energy debt and fuel poverty.

Explore partnerships that help to reduce fuel poverty and energy and water consumption, such as securing low-cost energy contracts, providing energy and water saving devices, promoting supplier switching services and green doctor programmes.

Work closely with our older and vulnerable customers and specialist housing schemes to ensure they have warm, healthy and affordable homes.



Theme 3: Business

Our Colleagues – Goal Commitments

1 Embed sustainability objectives into all areas of the business

Incorporate sustainability objectives into all our strategies and processes where appropriate, ensuring a joined up and collaborative approach through including dedicated working groups across different areas of the business.

Embed sustainability and social value into our recruitment and onboarding process and identify new opportunities to integrate sustainability into our work practices (e.g. Leadership Development Plans, job descriptions, project planning and workforce planning).

2 Communicate effectively on sustainability and ESG

Develop a communications plan, including regular updates, to support our sustainability objectives and share our achievements internally and externally.

Engage colleagues and create a culture where people can share ideas and initiate projects (for example, through the Ideas Lab, Yammer or a Sustainability Network), seeking motivated and passionate individuals to drive our sustainability agenda.

3 Develop internal training programmes

Conduct a skills gap analysis and identify skills and knowledge required to deliver the training needs that support the delivery of our sustainability objectives.

Develop an internal training programme including carbon literacy training - that provides the relevant skills, capacity, and knowledge across the business as part of induction and ongoing learning.



Our Operations – Goal Commitments

1 Monitor our sustainability performance

Develop our approach to improving our sustainability performance by carrying out a gap analysis of our current reporting processes and identify opportunities to effectively monitor, evaluate and benchmark our progress.

Report our progress externally using our Sustainability Reporting Standard and other suitable sustainability assessment schemes.

Our sustainability performance and achievements will be reported regularly to stakeholders at all levels, including the Sustainability Forum, Assets and Sustainability Committee, the Executive Committee, and the Board.

Set a series of detailed sustainability KPIs, targets and milestones to measure performance, using stretch targets where possible.

Gather detailed and accurate data in line with our targets and milestones and share data and dashboards to promote our achievements across the business.

Aim to become net zero carbon by 2050 and set five yearly science-based targets.

Measure our Scope 1, 2 and 3 carbon emissions against our baseline each year following government guidance and best practice, including the Greenhouse Gas (GHG) Protocol and seek independent verification of our emissions.

A detailed action plan will support the delivery of the Strategy which will allocate key responsibilities for delivery. Progress against the Action Plan will be monitored by the Sustainability Forum.

2 Access competitive, low-interest sustainability finance

Leverage this strategy and Sustainability Reporting Standard (SRS) to access low-interest sustainability finance and assessing our environmental and social practices.

Assess the relative merits of accreditation schemes.

3 Map our supply chain and engage with our stakeholders

Embed social and environmental criteria for all procurement activity.

Work closely with our customers, our colleagues, our suppliers, our partners and other stakeholders to support the delivery of this Strategy, mapping out our opportunities for engagement.

Engage with our suppliers and partners to reduce our environmental impact and carbon footprint of our products and services.

Ensure best practice and regulatory compliance on environmental and social impacts, including carbon and water foot printing, waste reduction, biodiversity, and human rights.

Adopt best practice in our environmental and social objectives through following relevant guidance, regulation, and legislation, such as the Taskforce for Climate-related Financial Disclosures (TCFD), the Taskforce for Nature-related Financial Disclosures, the Environment Act, the Sustainability Reporting Standard, the Future Homes Standard, the Modern Slavery Act, the United Nations Sustainable Development Goals and One Planet Living.

4 Reduce our travel-related carbon emissions

Decarbonise our fleet by 2026 by switching to electric and hybrid vehicles and support our fleet operatives in making the transition away from fossil fuel vehicles.

Promote and encourage electric vehicles and sustainable travel options for all colleagues, such as through salary sacrifice, mobility as a service (MAAS) and cycle to work schemes.

Carry out regular sustainable travel surveys to understand modes of travel and develop sustainable travel plans for office locations.

5 Maximise resource efficiency and waste reduction

Review our workplace resource efficiency, including carbon emissions, energy consumption, resource use and waste production, integrating approaches across our regional offices. This will focus on reducing our carbon footprint, minimising waste and resource use and identifying savings which can be reinvested in future sustainability initiatives.

The review will cover:

- **Office space** – identifying opportunities to reduce our office footprint through flexible working practices
- **Waste** – exploring options for reducing waste to landfill, reducing the use of materials we use, designing out waste, promoting re-use and recycling and aiming to become a zero-waste business.
- **Water** – reducing the amount of water used in our workplaces, with water saving devices and colleague information campaigns.
- **Energy and carbon** – reducing the amount of energy consumed in our workplaces by installing energy efficiency measures, solar photovoltaic (PV) panels, low energy lighting, electric vehicle infrastructure, smart metering, and other digital technologies, and seeking to procure 100% renewable energy supplies.
- **Resource consumption** – assessing the sustainability of our material and product supplies and seeking to procure more sustainable alternatives wherever possible.

Action plans will be developed for putting in place improvements and monitoring outcomes.

Assess our sheltered schemes and retirement villages for opportunities to reduce energy consumption.



Appendix B - Definitions

Terms	Definitions
Biodiversity	The variety of plant and animal life in the world as well as the communities that they form and the habitats in which they live, and which provides an array of essential ecosystem services that supply oxygen, clean air and water, pollination of plants, pest control and wastewater treatment
Circular Economy	An economy that moves away from our linear, take-make-consume-dispose economy and designs out waste and pollution through closed loops where materials and products can be continually reused and recycled, and natural systems are regenerated.
Embodied Carbon	Refers to the carbon emissions that are incurred during the processes of material extraction, manufacturing, transport, construction, maintenance, repair, refurbishment, replacement, demolition and disposal of a building or product.
Energy Efficiency	The use of less energy to perform the same task or produce the same result and minimising energy waste. Energy-efficient homes and buildings use less energy to heat, cool, and run appliances and electronics. Energy efficiency is one of the easiest and most cost-effective ways to combat climate change, reduce energy costs for consumers and achieve net-zero carbon
Modern Methods of Construction (MMC)	Refers to a range of offsite manufacturing and onsite techniques that provide alternatives to traditional house building. MMC includes buildings that are constructed off site in a factory using flat panellised units or other pre-manufactured components that are then assembled on site, or three-dimensional modular units or whole homes that are then transported to site. Evidence suggests that MMC buildings can offer reductions in both embodied and operational carbon compared to traditional buildings and can significantly contribute to a reduction in waste.
Net Zero Carbon	The amount of carbon emitted into the atmosphere through greenhouse gases (such as CO ₂ and methane) is no more than the carbon offset or sequestered out of the atmosphere, such as through renewable energy schemes, tree planting and rewilding. Reducing energy demand should always take priority over carbon offsetting, which is a last resort.
Operational Carbon	This refers to the carbon emissions resulting from a building's energy use. This typically includes emissions associated with heating, hot water, cooling, ventilation and lighting systems, as well as energy used for cooking and by specialist equipment such as lifts.
Retrofit	The addition of new technology or features to older systems. In the case of housing this means installing energy efficient improvements to an existing house, such as insulation, heating systems and solar panels.
Smart Home Technology	Smart devices for the home that provide residents with security, comfort, convenience and energy efficiency through the use and control of digitally networked devices or mobile phone apps.
Sustainability	Meeting our own needs without compromising the ability of future generations to meet their own needs, with consideration for environmental, social and economic resources.