



Environmental Sustainability and Net Zero Carbon Strategy 2021 - 2024



CONTENTS

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■	1. Contents	3
■	2. Strategy on a page	4
■	3. Executive summary	5
■	4. Purpose	6
	a. Aims	6
	b. Scope	6
■	5. Strategic context	7
	a. Key drivers	8
	b. Key risks and opportunities	10
	c. Alignment with corporate objectives	11
	d. Accessing sustainability-linked finance	12
	e. A strategic approach	15
■	6. Our sustainability strategy	17
	a. Vision	17
	b. Strategic framework	18
	c. Stakeholder perspectives	19
	d. Outcomes	22
	e. Risks and opportunities	23
	f. Priority areas	24
	g. Objectives	26
	h. KPI and targets	27
	i. Guiding principles	29
	j. Transition to net zero carbon	29
■	7. Implementation approach	42
	a. Workstream groups	43
	b. Action plans	43
	c. Procurement	44
	d. Routemap	44
	e. Governance and reporting	45
	f. Evaluation and improvement	46
	g. Publication and communication	46
	h. Change and risk	47
	i. Best first steps	49

STRATEGY OVERVIEW

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Environmental Sustainability Vision

- We will make and manage environmentally sustainable homes hand communities which are comfortable, affordable, healthy, biodiverse and fit for the future.
- We will engage our residents, colleagues, investors, suppliers and partners to help us become zero-carbon housing provider and developer.
- We will do business in socially and environmentally responsible ways.

Principles

Authentic

Holistic

Transformative

Strategic Framework and Intended Outcomes

	New Build	Existing Homes	Operations
Cutting Carbon	Reduce CO ₂ emissions from the making and running our new homes	Reduce CO ₂ emissions from maintaining, improving and running existing homes	Reduce CO ₂ from our workplaces, how we travel and what we purchase
Improving Biodiversity	Create homes and places that work well for people and nature	Manage places for wildlife and improve community access to nature	Champion biodiversity and the benefits of nature in and around our workplace
Enhancing wellbeing	Design and deliver homes that support physical and mental wellbeing	Support resident wellbeing and make sustainable living easy, affordable & attractive	Provide and promote healthy, happy and productive workplaces
Made and Managed Responsibly	Choose sustainable materials, products and suppliers	Care for and curate homes and places responsibility and sustainability	Create positive environmental impacts through operational choices

Priority Areas

Priority area	Focus	Stance
Net zero Carbon	Be Net Zero Carbon across all our homes by 2050 and in our day-to-day business activities by 2030. Energy Performance Certificate (EPC) C for rented properties by 2035 (2030 for 'fuel poor' households), with min of 75% of homes to be EPC C+ by 2024. Demonstrate leadership not by going first or fastest, but through a resident-centred approach based on actual reductions in energy use performance and residents' bills, whilst avoiding creating the retrofit projects of the future by shifting our new build pipeline to be net zero by 2030 at the latest.	In the pack
Own House in Order	Engage and support staff, supply chain and partners on an journey to cut negative environmental impacts and increase the positive ones. Embrace the low-hanging fruit (e.g. contractors standing ready and willing), make the tough decisions (e.g. poor office energy efficiency), share successes and failures.	Walk the talk
Healthy People, Healthy Planet	Differentiate by creating and curating homes and places focused on mental and physical wellbeing. Focus on conditions and connections inside and outside the home, particularly with nature. Ensure the way we build and manage homes supports biodiversity. Be fit for a future climate (flooding, overheating risks). Support residents' sustainable lifestyle choices.	Drive Forward
Whole Life Value	Buy wisely. Apply a triple-bottom-line lens and lifecycle perspective to specification and responsible procurement. Work with and learn from others in this emerging area. Reduce and manage waste and water responsibly	Engage and improve

Implementation

Governance

Objectives

Indicators & Targets

Action Plan

Working Groups

EXECUTIVE SUMMARY

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Our resource-constrained world is in ecological crisis. We are all seeing negative effects of climate change which the global scientific community assures us will only deepen in the years to come. The housing sector need not however be a passive witness because our organisation can have a significant and very positive influence that reduces environmental impacts, improve the wellbeing of our residents and the communities where we operate.

Our new strategy provides a robust framework for Southern Housing Group to prioritise our aims and set meaningful and measurable targets. These will guide the actions we must take to over the next three years to address the complex challenges arising from the environmental sustainability agenda.

The strategy is informed holistically. It was shaped by the views and priorities of residents and key staff. It incorporates insights from across our immediate and sector including deep analysis of emerging regulation, policy and technology. Actions to reduce risks associated with regulatory compliance and opportunities to add value are integrated throughout the strategy. It is also in alignment with Southern Housing Group's Environmental, Social and Governance (ESG) funding approach.

The holistic method applied creating this strategy featuring wide consultation and deep analysis yielded four cross cutting themes that clarify the 'where' we must focus our efforts, these are; cutting carbon, enhancing biodiversity, improving wellbeing and ensuring our homes are made and managed ethically. This is a detailed and action focussed strategy and sets a framework for how to address each theme in across our entire business divided in three categories of new homes, existing homes and our own operations.

Amongst all these important themes and areas, it is already abundantly clear where our main priority is now and shall remain. As a housing provider, the greatest positive impact we can have within the broader sustainability agenda is reducing carbon emissions from the homes we create and manage. This reduces energy costs and therefore directly benefits our residents in alignment with our central purpose of providing good homes.

The strategy also provides an implementation framework that covers governance, resourcing, communication and evaluation. This will ensure continuous improvement and provide effective means to navigate. Some of our immediate next steps to launch this include creating specific targets so we can deliver the measurable results and make this meaningful. Finally, because this is a dynamic area, the horizon of this strategy is only three years and aimed at embedding greater capabilities and capacities to confront the challenges of the sustainability agenda what are certain to intensify.

PURPOSE

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Aims

This document sets out Southern's strategy for addressing the immediate challenges relating to environmental sustainability and the Net Zero Carbon agenda, focusing on implementation steps needed from now until to March 2024 so the group is poised to exploit longer-term opportunities and mitigate regulatory, reputational and financial risks that are certain to confront the organisation as we approach the milestones towards 2050 and the transformational Climate Change Act obligations.

This strategy sets out what we believe to be 'the right thing' for our planet and for its future inhabitants. It outlines our current understanding of the right things to be doing, how we will work together to get things done and how we will chart and offer assurance of our progress.

It establishes and records key aspects of context and drivers for sustainability in the sector. It aims to state clearly and concisely our vision and priorities, as well as qualify the level and urgency of our ambition. Importantly, at a high level, it explains how we are going to achieve our objectives and how we propose to measure progress.

This document aims to summarise what we need to do first. It also addresses how good governance and effective change management will help ensure the strategy's success in a dynamic context and with pressing urgency at planetary, societal

Scope

This strategy establishes the first stage of our direction and accords with our Corporate Plan 2021-2024. It focuses on our priorities for the period to March 2024 and defines next steps for the first 12 months of the strategy. Whilst our strategy prioritises and has an environmental focus, a triple-bottom-line perspective has been adopted so social and economic sustainability is considered within the broader context of this agenda.

Furthermore, and reflecting the significant and growing importance of environmental, social and governance (ESG) matters to social housing investors and providers, this strategy will support Southern's ESG approach. Refer to later section on accessing sustainability-linked finance for more details.

Southern's sustainability impacts, both positive and negative, are greatly influenced by how the business is led, managed and operated. Southern's new developments, existing homes, and operational activities (premises and ways of working) define the key areas in this regard.

Whilst this strategy defines a sustainability approach, its realisation is dependent on the alignment and successful delivery of several other key strategies and policies. These include development, asset management, community investment, resident involvement and supporting independence and care.

STRATEGIC CONTEXT

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Providing efficient, comfortable, affordable, healthy, resilient and future-proofed homes and communities sits centrally to the UK's response to a context of climate and ecological emergency. Organisations, such as Southern Housing Group, that are making, shaping and curating homes and communities need to be at the forefront of making it happen.

Within this context the drivers for positive action are numerous and inter-related, as set out in Figure 1.

Many of these drivers present significant risks and opportunities to Southern. These are summarised in Figure 2. Compliance risk is the most salient. Carbon reduction regulations and related standards will only increase its impact on housing. Sectoral and societal drivers are also raising the bar in terms of what is needed and the role social housing providers have to play. Some of these drivers are touched on below.

However, as this strategy discusses, taking a compliance only focused approach brings inherent risk and misses significant areas of opportunity. The context is complex and dynamic, but is certain to intensify in coming years. What is needed now is an outcome-focused and agile approach built on growing internal capabilities and rooted to social purpose.

A) Key drivers

The Climate and Ecological Emergencies

- A 1.5 degree rise in global temperatures is already unavoidable and extreme climatic events including flooding, wildfires and draught, as well as species loss, are being attributed to human-caused climate change.

U.N. Secretary-General, António Guterres described the latest IPCC (international Panel on Climate Change) report as “a code red for humanity.”....“The alarm bells are deafening, and the evidence is irrefutable: greenhouse gas emissions from fossil fuel burning and deforestation are choking our planet and putting billions of people at immediate risk.”

Net Zero Carbon & Environmental Sustainability Strategy

- The rise of climate activism¹, alongside a significant movement in to greener investments² and growth in employees wanting climate-positive action from companies³ evidences increasing urgency in the population for meaningful action to be taken to tackle the Climate and Ecological Emergency.
- 2,011 jurisdictions in 34 countries have declared a climate emergency, covering over a billion citizens. 92% of the UK population live in areas in which local authorities have declared a climate emergency.

National legislation

- In view of the Paris Agreement the government has legislated for the UK to reach net zero carbon emissions by 2050. UK legislation is the most ambitious globally, including intermediate targets of a 68% reduction (compared to 1990 levels) by 2030, and a 78% reduction by 2035.

The Social Housing Sector

- The Climate Change Committee (CCC) have made clear in the Sixth Carbon Budget that the UK's net zero ambition will require the complete elimination of greenhouse gas emissions from housing. Rapid action in the sector is expected to create headroom for other sectors, which are anticipated to take longer to decarbonise.
- Homes are responsible for about 20% of the UK's total CO2 emissions; heating in homes alone currently comprises 13% of the UK's total CO2 emissions. The residential sector is now targeted by the CCC to be carbon free earlier than industry and transport. The modelling recommends that the residential sector should be net zero by 2048 and shows it is feasible by 2044.
- The Social Housing sector have the ability to manage stock on behalf of their tenants and portfolios of homes outperforming owner-occupied and the private rented sector, we are being called upon to lead the way, unlocking retrofit activity for other tenures.
- Social housing providers have a responsibility to create fair policies and to develop the skills and arrange funding to ensure sustainable improvements that won't penalise the poorest households.
- The social housing sector tends to own greater uniformity of stock than private landlords, better enabling the sector to develop and scale solutions to retrofit different types of building.



Figure 1 - Some of the drivers for sustainability impacting social housing providers

The road to Net Zero in Housing

- The road to net zero outlined by the CCC focuses on retrofitting, with EPC ratings used to determine minimum retrofit standards. The government has set a target for all homes to meet EPC C by 2035 but CCC has called for all social homes to have reached EPC C by 2028. It is acknowledged that EPC ratings are being reviewed as a measure of retrofit effectiveness and that the standard may be reformed within the target period. Refer to Appendix for detail on addressing EPC issues and “compliance only” risks.

Net Zero Carbon & Environmental Sustainability Strategy

- The approach to decarbonising homes outlined by the CCC is first to improve the energy efficiency of all homes and then to roll out clean heat technologies (heat pumps, heat networks and hydrogen fuel).
- Retrofitting at scale, as opposed solely switching all space and water heating to net zero renewable energy, is needed to deliver a permanent energy demand reduction. The reduction in demand is necessary to mitigate against increased fuel costs, and limit the strain and growth of the national energy sector infrastructure.
- The approach to decarbonising homes outlined by the CCC is first to improve the energy efficiency of all homes and then to roll out clean heat technologies (heat pumps, heat networks and hydrogen fuel).

- 1) <https://commonslibrary.parliament.uk/the-rise-of-climate-change-activism/>
- 2) <https://www.unbiased.co.uk/news/financial-adviser/socially-responsible-investing-predicted-to-double-in-2021>
- 3) <https://www.reutersevents.com/sustainability/employees-want-climate-positive-action-companies-heres-how-they-can-deliver>

b) Key Risks and opportunities

Impact	Risks	Opportunities
Political	<ul style="list-style-type: none"> Negative reputational impact with key stakeholders, including: local and national government stakeholders, sector regulator, peer group and supply chain 	<ul style="list-style-type: none"> On the front foot in terms of responding to policy direction in a highly dynamic context Credibility with key stakeholders as organisation taking sustainability seriously
Economic	<ul style="list-style-type: none"> Financial penalties for regulatory non-compliance Reduced asset value Reduced income from units unable to let Additional costs from unplanned activities required to ensure regulatory compliance High running costs for residents of comparably inefficient homes High asset management costs of inefficient homes unfit for future climate Higher business operational costs for inefficient and polluting offices and fleet Less attractive to increasingly impact-driven investor market 	<ul style="list-style-type: none"> Reduced costs from unanticipated or premature retrofit Improved long-term affordability for residents, including fuel poverty Recruitment, retention and productivity benefits through aligning with stakeholder values Operational savings by reducing resource and energy wastage Ability to access growing market for ESG-linked funding Retrofit and low-carbon construction offer a substantial opportunity for creating localised green-jobs
Social	<ul style="list-style-type: none"> Poor resident health and wellbeing, e.g. linked to overheating, air pollution etc Low morale and poor productivity from unhealthy workplaces 	<ul style="list-style-type: none"> Meaningful engagement with residents on issues important to them Resident wellbeing benefits from healthy homes and supported sustainable lifestyle choices
Technical	<ul style="list-style-type: none"> Lack of good asset data limits reporting and insights potential New homes have less sustainable designs, features and equipment becoming the retrofit projects of tomorrow Retrofit approach is sub-optimal and causes delivery and/or operational risks 	<ul style="list-style-type: none"> Good asset and performance data drives informed and efficient strategy application New and retrofitted homes are resilient and futureproofed Harness expertise, insights and innovation from a supply chain engaged on sustainability
Legal	<ul style="list-style-type: none"> Regulatory non-compliance 	<ul style="list-style-type: none"> On the curve in terms of addressing a range of toughening regulatory requirements
Environmental	<ul style="list-style-type: none"> Responsible for carbon emissions contributing towards widespread, rapid, and intensifying climate change Activities contribute to ongoing species decline an ecological breakdown Responsible for ongoing resource depletion and pollution through design, procurement, construction and operational practices 	<ul style="list-style-type: none"> Demonstrable positive contribution to helping to tackle biggest environmental issues through reduced carbon emissions, improved biodiversity and responsible and circular resource use

Figure 2 - Risks and Opportunities driving action

c) Alignment with Corporate objectives:

Strengthen our finances

- Increase our income and decrease our operating costs by delivering our efficiency programme
- Improve key financial performance metrics in line with our Board's targets
- Deliver value for money through agile working and digital services

Improving the energy and water efficiency of our homes and workplaces can save money.

Taking a "whole life value" approach to asset management can help to reduce lifecycle costs and provide resilient and futureproofed homes.

Build greater trust, transparency and accountability

- Regain and maintain our 'G1' regulatory governance rating from the Regulator of Social Housing
- Involve our residents in the decisions that affect their lives, and be accountable to residents for our performance
- Maintain a transparent and accountable governance framework, ensuring residents are part of our governance
- Ensure the organisation is representative of the communities we serve
- Work with stakeholders to strengthen key local relationships

Applying an ESG (environmental, social and governance) lens to our business and impacts can help us achieve an authentic, inclusive and impactful approach to environmental sustainability.

Working with partners to set targets, implement initiatives, track progress and share learning are key elements of an integrated sustainability approach.

Invest in our homes, strengthen our communities

- Ensure all our residents have a safe home
- Provide more homes for people in housing need in the areas where we work
- Provide excellent care and support services
- Maintain and manage properties, estates and neighbourhoods that people are proud to live in
- Improve the energy efficiency of new and existing homes and set out our pathway to net zero carbon
- Seek out opportunities to partner with organisations to create investment that strengthens communities

Homes that are comfortable, efficient and affordable to live in contribute positively to residents physical and mental wellbeing.

Procurement of sustainable and Responsibly source materials, products and services is important.

Responding to the climate emergency through creating resilience, efficient and net zero homes is a core challenge.

Listen to our residents

- Involve residents in improving the services that matter most to them
- Be respectful of our residents, listening and communicating openly and reliably
- Be accountable to residents for resolving complaints
- Learn from complaints and make changes to improve our services
- Be easy to work with, making use of digital technology and inclusive, resident-led service design

Our residents have highlighted the importance of environmental sustainability and what aspects matter to them. Their ongoing engagement is key.

With our residents we can help to make sustainable lifestyle choices easy, affordable and attractive.

Empower our people

- Be a supportive, inclusive, diverse and equal opportunity organisation
- Be a place where colleagues are proud to work
- Empower our people to respond to residents' service requests in an efficient and effective way
- Work together with contractors that share our values
- Adopt digital technology to enable colleagues with the right tools for the job
- Equip our colleagues with the information, skills and capacity to embed change

Doing the right thing on sustainability is increasingly important to staff, suppliers and partners.

Providing sustainable workplaces can support a happy, healthy and productive workforce.

Engaging our supply chain positively on sustainability can help us collectively raise the bar on the challenges of our times.

Figure 3 – Aligning this sustainability strategy with Corporate objectives

d) Accessing sustainability-linked finance: an ESG lens

Environmental, Social and Governance (ESG) is an impact framework enabling investors to put their money to work in companies they can be assured are well governed and are striving to make the world a better place.

For Housing Associations, reporting on their ESG performance enables us to:

- Expand our investor base
- Match with investors trying to decarbonise their balance sheet
- Benefit from the pricing advantage from the sustainable issuance of capital finance

Alongside this strategy, we have developed a sustainable finance framework which will support our environmental, social and governance aims.

This strategy will therefore operate alongside our sustainable finance framework and other related strategies and policies over the coming years to enable us to work with future investors to channel resources towards projects and initiatives that deliver environmental, social and governance outcomes.

The Action Plans and Best First Steps identified in this strategy are aligned to the ESG agenda and will enable the Group to continue to seek sustainability-linked finance, particularly as we develop enhanced capabilities for delivering new homes to net zero standards and upgrading existing homes to enhance energy efficiency, reduce residents' bills and reduce carbon emissions.

Figure 4 provides an overview of how Southern's existing strategies and policies align with the ESG framework established within the Sustainability Reporting Standard for Social Housing. More details of which are provided below. Figure 5 focuses on the high-level development of this environmental sustainability strategy within a wider potential ESG approach for Southern.

All SRS adopters receive support and guidance in implementing the Standard. The objective is to enable housing providers to report on their ESG performance in a transparent, consistent and comparable way. Southern adopting the Standard and appropriately resourcing analysis and insight capabilities in relation to the standard is a recommendation of this Strategy. Adopting the standard will enable and enhance updates to the Group's Sustainable Finance Framework and impact reporting for future bond issuances.

Strategies and policies aligned to ESG



Figure 4 - High-level overview of Southern's strategies and policies aligned to an ESG framework

Environmental Sustainability Strategy within ESG

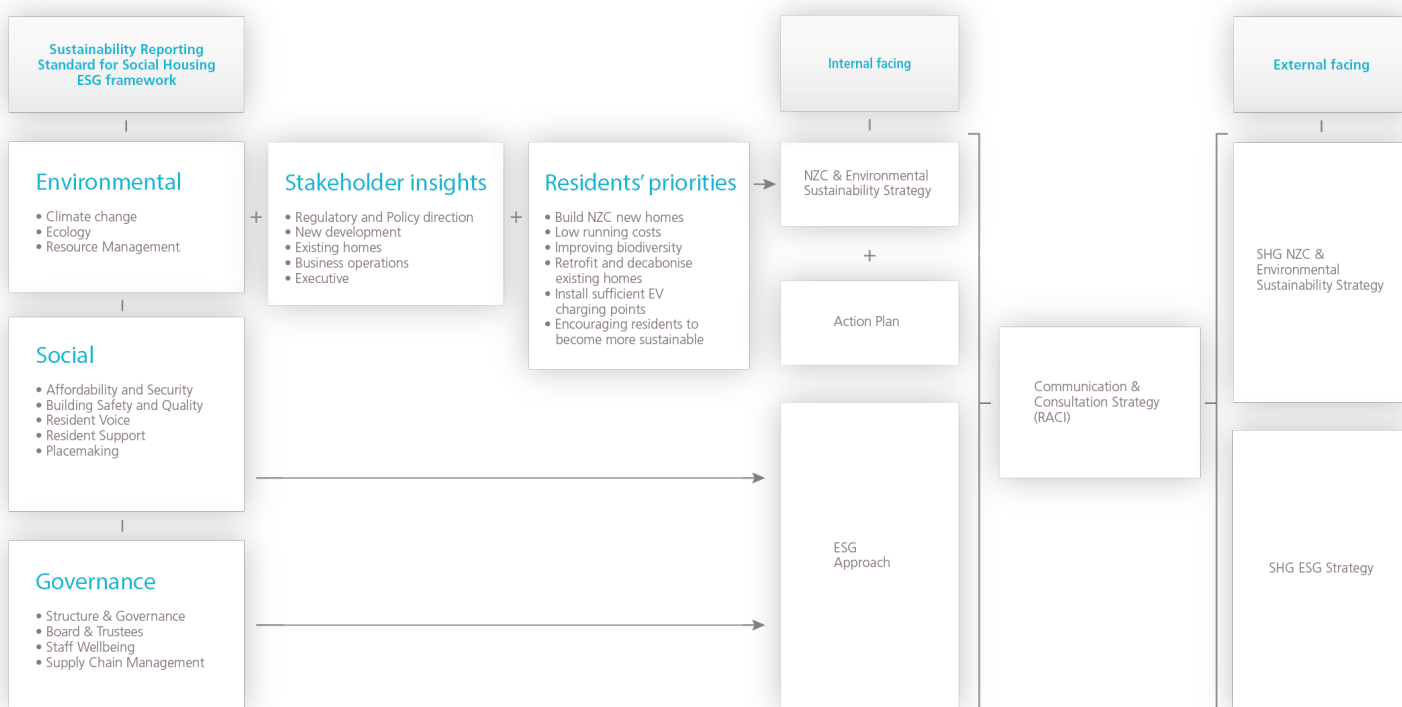
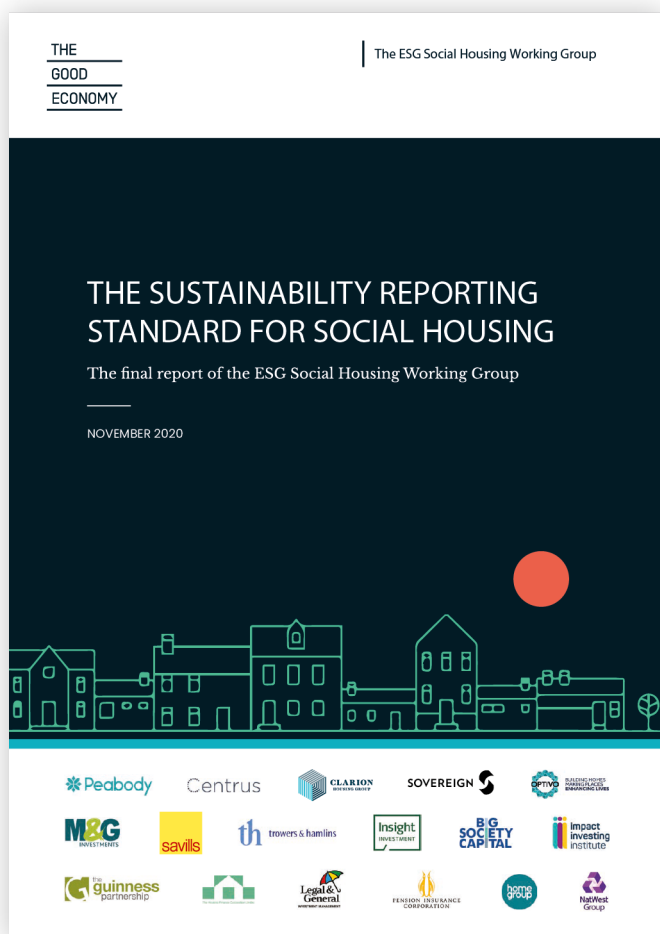


Figure 5 - How this strategy aligns with ESG foundations and could support Southern's future approach

The Sustainability Reporting Standard for Social Housing

The Sustainability Reporting Standard for Social Housing is an ESG framework launched in November 2020, to enable meaningful and consistent ESG reporting across the sector and reduce the information burden on Housing Associations. This voluntary reporting standard was developed by an ESG Social Housing Working Group comprised of 18 housing associations, banks, investors and impact investing organisations.



ESG Area	Theme #	Theme name
Social	T1	Affordability & Security
	T2	Building Safety & Quality
	T3	Resident Voice
	T4	Resident Support
	T5	Placemaking
Environment	T6	Climate Change
	T7	Ecology
	T8	Resource Management
Governance	T9	Structure & Governance
	T10	Board & Trustees
	T11	Staff Wellbeing
	T12	Supply Chain Management

Figure 6 - The Sustainability Reporting Standard for Social Housing's twelve ESG Themes

Since the launch of this standard, which includes 48 criteria across 12 themes, including affordability, safety, quality, well-being and zero carbon targets, more than 100 organisations have signed up as adopters or endorsers. Adopters include nine of the G15 group of London's largest housing associations.

<https://esgsocialhousing.co.uk/>

e) A strategic approach

Our previous Environmental Sustainability Strategy covered the period 2017 – 2020, and it drew together sustainability elements from across the Group’s development and asset management, sustainable workplaces, community investment and procurement strategies and policies. It provided a framework for us to deliver our Environmental Sustainability Policy (a recommended action for this strategy is to update that policy) and has driven our approach to our culture and biodiversity. Our new strategy builds on our previous strategy. The table below summarises the key focus areas of that strategy, our main achievements, and the ways in which items on our ‘still to do’ list have shaped this new strategy. One of the key learnings from our previous strategy has been the importance of having the right governance and delivery structures in place.

Focus Area	Outcomes & Targets	Achievements	Still to do
New Build Homes	Improve the energy performance of new homes, work with our development supply chain to contribute to sustainability, and reduce the amount of construction waste to landfill.	New home average SAP rating rose from 81.7 (Mar 2018) to 84 (Mar 2021).	Improve our approach to working with our supply chain and our approach to post occupancy evaluation and measuring actual energy performance.
Existing homes	Achieve a Group average SAP rating of 71 by 2022	Existing homes average SAP rating rose from 67.9 (Mar 2018) to 72.6 (Mar 2021), meeting this target a year early	Develop a strategic approach to energy efficiency upgrades, providing and engaging residents in adopting new energy systems
Sustainable workplaces	Reduce our operational carbon emissions by 20% by 2025 (from a 2015-16 baseline)	Operational carbon emissions reduced by 34% between 2015-16 and 2020-21, from 1131 tonnes of CO ₂ e to 744. This was in large part due to the impact of the pandemic on reducing operational mileage and office energy use in 2020-21	Develop a strategic approach to the energy performance and resource use/efficiency of our offices. Consider how to maintain working practices adopted during the pandemic given their impact on carbon emissions.
Community Investment	Support customers to manage energy use and reduce their energy bills.	In 2018-19, 664 households supported by our Home Energy Advice Team (HEAT), saving £127,500 on utilities bills, an average of nearly £200 per household. In mid-2019, our HEAT service was incorporated into our Financial Inclusion Service. In 2020-21, the Financial Inclusion Service generated £5.2m in additional income for residents.	Align our approach to fuel poverty across our Asset Management, Development and Southern 360 strategies. Engage and involve residents in co-creating our approach to sustainable lifestyles and energy efficient homes.
Biodiversity and Estate Care	Develop a biodiversity plan and estate care strategy	Estate care strategy and service developed; cleaning and gardening services brought in-house. In 2019, we launched the first Biodiversity Toolkit for Housing Providers in partnership with the Centre for Ecology & Hydrology, a guide to involving estate gardening services and residents in local changes that support and enhance native biodiversity.	Articulate the links between wellbeing, health and biodiversity more strongly in our approach going forwards.
Procurement, culture and innovation	Develop environmental procurement principles, and sustainable working practices as part of the roll-out of agile working and encourage low carbon travel amongst colleagues and customers	Agile working successfully rolled out in 2015-16 and continuously improved. In 2021, the Group adopted a hybrid working model to further enhance service delivery, support colleague wellbeing and reduce unnecessary travel and office use.	Enhance our approach to procurement and supply chain management Get our own house in order.

Figure 7 - Key areas of focus and progress against 2017-2020 Environmental Sustainability Strategy

Developing a new strategy

Our new strategy has been developed over the course of 2020 and 2021. The figure below summarises the key steps taken.

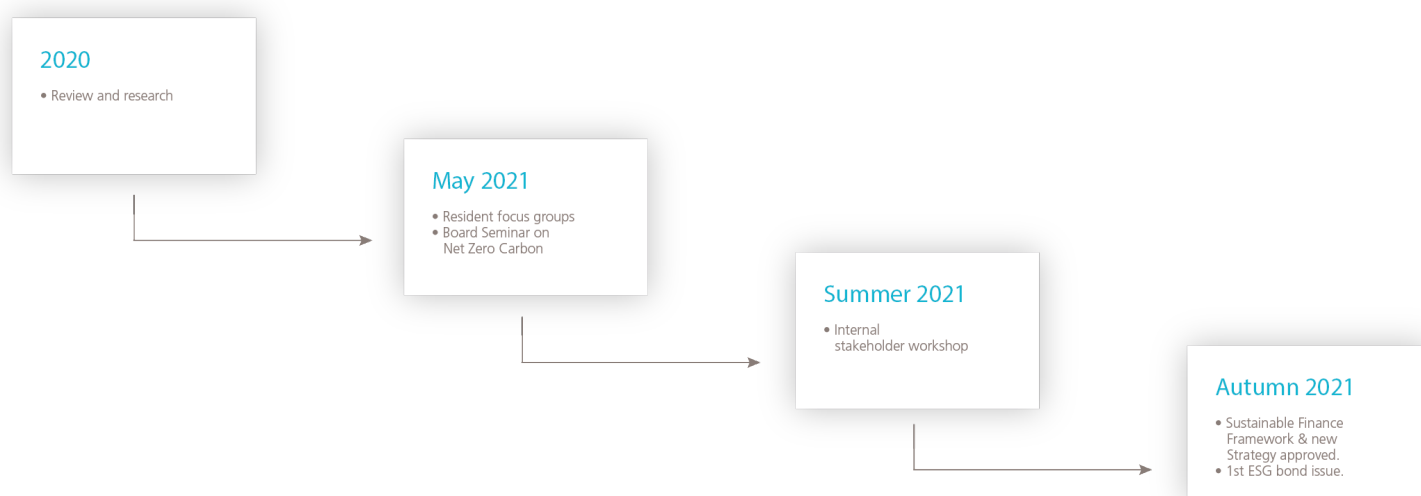


Figure 8 - Key steps in developing this new strategy

Strategic principles

Acknowledging the context, risks and opportunities identified three high-level principles to underpin an appropriate environmental sustainability strategy for Southern. More specifically:

Values	Principles	
We do the RIGHT THING	Authentic	<ul style="list-style-type: none"> Be led by Values, not by compliance to avoid box-ticking, increase risk and missed opportunities Focus not on targets but on the measured, verifiable realities of actual building performance and lived resident outcomes Share the challenges, successes, and failures with key stakeholders Not aiming to be 'first', or 'best' – rather to deliver robust/solid, real-world impacts
We WORK TOGETHER	Holistic	<ul style="list-style-type: none"> Although environmental in focus, reflect economic and social sustainability and good governance Build on and bring together what is already happening on environmental sustainability across Southern Consider the entire asset lifecycle and look across the whole value chain, working with partners and suppliers Tackle the big and difficult challenges as our priority, whilst not overlooking the simple steps
We get THINGS DONE	Transformative	<ul style="list-style-type: none"> Recognise the need for urgent, bold and decisive action Align ways of working to help deliver effective change and positive environmental outcomes Investment in people, processes, and systems for effective delivery Nurture a culture of working together, doing the right thing and getting things done on sustainability

Figure 9 - Corporate Values linked to strategic development principles

OUR SUSTAINABILITY STRATEGY

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a) Vision

Purpose

We exist to provide high-quality homes, services and care for those in housing need.
Our purpose is to make our residents’ and our communities’ lives better, working as a business with social objectives.

Vision

Corporate Plan 2021 – 2024	Environmental Sustainability Strategy
<p>We will be a trusted, caring landlord, listening to our residents, providing high-quality homes, services and care in places people are proud to live.</p>	<p>Make and manage environmentally sustainable homes and communities which are comfortable, affordable, healthy, biodiverse, and fit for the future. Engage our residents, colleagues, investors, suppliers, and partners to help us become a zero-carbon housing provider and developer. Do business in socially and environmentally responsible ways</p>
Corporate Plan content said	Our Environmental Sustainability Strategy does
<p>Strategic objective 21-24: “Improve the energy efficiency of new and existing homes and set out our pathway to net zero carbon” Over the next ten years our planned works programme will ensure that existing homes’ heating and insulation systems are upgraded whilst our new build development approach will meet higher standards of energy efficiency.</p> <p>But that’s only part of the journey towards greater environmental sustainability.</p> <p>Over the next two years we will set out our pathway to net carbon zero, which over the long term will see Southern Housing Group become a zero-carbon housing provider and developer, and make our contribution towards the UK’s target of being a net zero carbon economy by 2050.</p>	<p>Sets a commitment for the Group to become a net zero housing provider by 2050, or earlier.</p> <p>Anchors our zero carbon position around optimised compliance with the regulatory pathway, whilst focusing on actions which deliver real-life performance and direct benefits to residents.</p> <p>Outlines actions spanning the short, medium and longer term to drive optimised and effective positive impact including, critically, through the retrofitting of existing homes.</p> <p>Positions zero carbon objectives within a simple and robust strategic framework which addresses other key issues including biodiversity and wellbeing.</p>

Figure 10 - An Environmental Sustainability Vision for Southern Housing Group

b) Strategic framework

Our strategy focuses on four key environmental themes and three business impact areas. Bringing these together in a single matrix provides a simple strategic framework comprising twelve points of focus and action.

	New Build	Existing Homes	Operations
Cutting Carbon			
Improving Biodiversity			
Enhancing wellbeing			
Ethical procurement			

Figure 11 - Framework provided by a matrix of Environmental Themes and Business Impact Areas

The set of environmental themes has been directly informed by:

- Regulatory and political direction review
- Peer, and wider industry approaches
- Resident feedback (May 2021), and
- Feedback from internal stakeholders (Workshops, Aug and Sept 2021)

The set of business areas have been derived based on their extent of environmental impact and influence, as well as alignment with both Southern's organisational structure and the Green House Gas protocol scopes 1, 2 and 3. More specifically:

- **New Build** – significant impact in terms of construction resource specification and use, with the design and performance of new homes and communities strongly influencing future environmental impacts
- **Existing Homes** – the biggest source of Southern's Carbon emissions and impact on the environment, residents and communities. With sustainable retrofit bringing significant challenges and opportunities
- **Business Operations** – although relatively small in terms of environmental impacts from Southern's places of work and travel activities, this area is highly significant in terms of motivating staff and influencing our supply chains

c) Stakeholder Perspectives

Southern has an extensive stakeholder ecosystem and successfully meeting the ambition of this strategy will require understanding, alignment and collaboration across many issues and through engagement with different stakeholders.

The simple stakeholder map (Figure 12) includes those groups seen as key to Southern's environmental sustainability performance, as well as those groups involved to date and targeted for future involvement as part of refining and implementing this strategy.

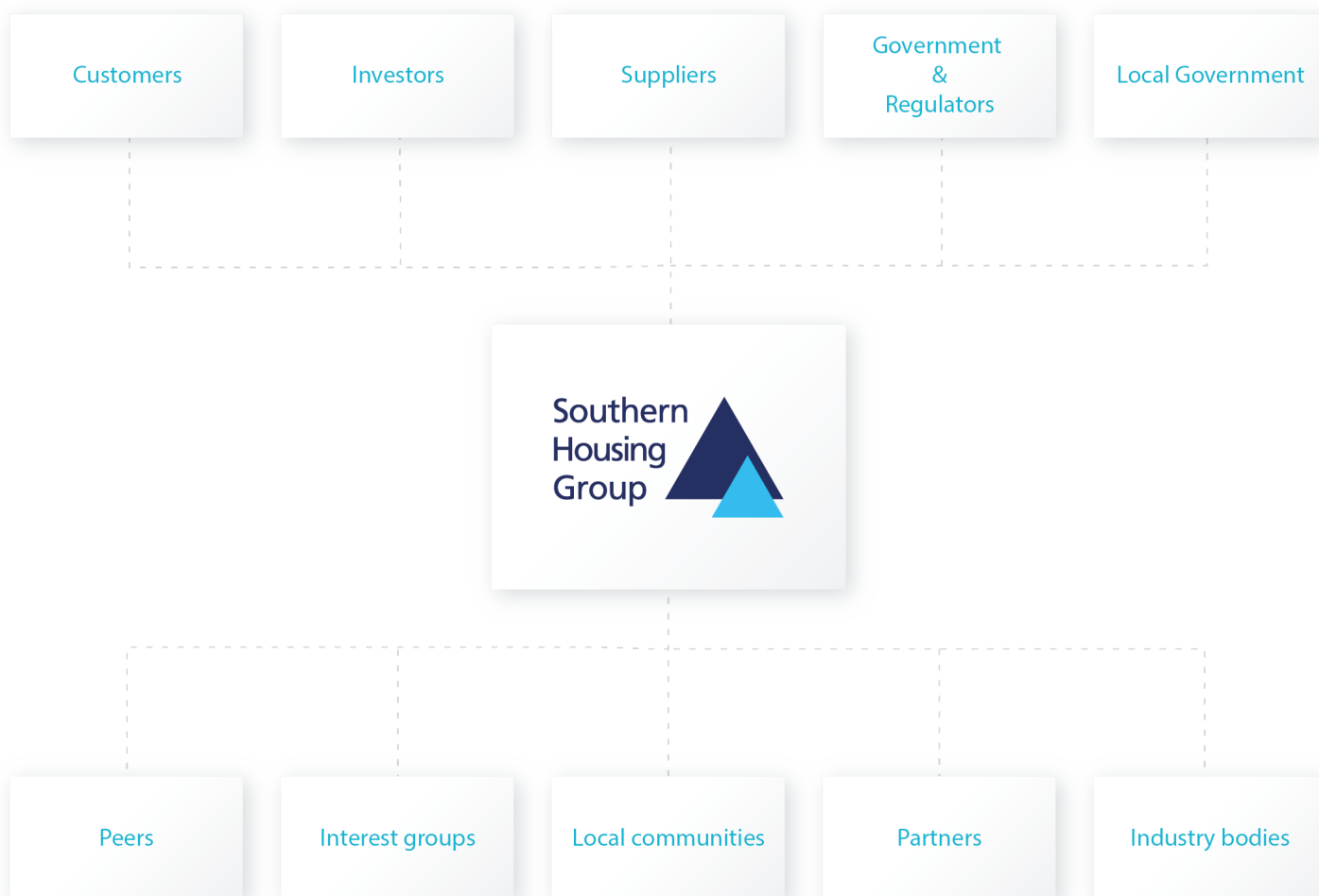


Figure 12 - High-level stakeholder map

A recommendation of this strategy is that the stakeholder perspectives and priorities set out in Figure 13 are reviewed and refined in conversation with key organisations/partners over the first year of the strategy. These include representatives from: Supply chain, Local Authorities, Sector peers and Funders / Investors.

Furthermore, this strategy commits to the exploration of specific industry groups, collaborations and programmes to engage with to benefit from shared insights, support and efficiencies around common sustainability challenges and opportunities.

Stakeholder	Perspectives and priorities
Residents	<p>In a May 2021 survey of a small group of residents, the following areas were identified as important to them and should be prioritised:</p> <ul style="list-style-type: none"> • Building carbon net zero new homes with low running costs, especially on brownfield land or looking at regeneration • Retrofitting and decarbonising existing homes • Installing sufficient EV charging points on estates • Improving biodiversity on estates • Encouraging residents to become more sustainable <p>In the survey, recycling, waste management, encouragement for more green space, and support for solar panels and renewable technology were also discussed.</p>
Economic	<p>Emergent themes, based on analysis of feedback received in workshops The Strategy should....</p> <ul style="list-style-type: none"> • Be recognised as an authentic organisation with clear and ambitious sustainability targets, seen to be making meaningful decisions and steps to reduce its environmental impact. • Address key areas within SHG's control, such as quantifying the risks of failing to comply, enabling the necessary resources/ capacity to respond, adopting a clear strategy and timeline, collecting and analysing data to prioritise and monitor progress and creating a long-term cost plan. Identify where/how to influence outcomes outside of SHG's direct control. • Must take a very long-term view and consider the bigger picture, but also be effective in translating that strategic perspective into the day-to-day ways of working and decision making, so it is embedded into the fabric of the organisation. • Be clear in language and terminology, e.g., defining and differentiating the terms 'carbon-neutral' and 'net-zero carbon.' • Enable SHG to provide residents with homes and neighbourhoods that they enjoy and are proud of. Resident's homes should be affordable, easy to use and maintain; with support and guidance provided by SHG to understand how their home impacts the environment and how they can work together with SHG to positively influence this. • Be authentic and build connection with internal groups, other housing providers and local community organisations to increase opportunities to work together. Long-term partnerships and contractual relationships should be effective in expanding sustainability outcomes beyond business operations. Collaboration/partnerships are going to be key to delivery, and should enhance the reputation of all partners. • Identify shared objectives and provide resourced capacity (time, energy) to seek out innovative and sustainable solutions. Teams and individuals need to be enabled to try new solutions and monitor the outcomes. • Include a retrofit programme designed and delivered with and for residents, to harness individual enthusiasm, support behavioural change, maximise positive outcomes and mitigate against disruption. <p>Specific focus areas, targets and solutions identified by participants included:</p> <ul style="list-style-type: none"> • becoming carbon neutral • increasing biodiversity/access to green spaces for staff to increase wellbeing • workplace energy consumption, paper use, IT and travel • use of various renewable energy sources • landscaping with native species and with water management in mind • leveraging Social Value contributions from existing contracts to fund biodiversity and well-being. • responsible and sustainable purchasing <p>Essential enablers included:</p> <ul style="list-style-type: none"> • access to finance • a well-resourced HEAT team • quality data and analysis capacity • long-term contracts delivering value for money. • expertise and capacity to review, enable and enforce relevant processes and ways of working, e.g. responsible and sustainable procurement

Stakeholder	Perspectives and priorities
Supply Chain	<ul style="list-style-type: none"> • Clear and consistent specification of requirements • Procurement of goods and services, which align with and support their own endeavours to reduce their organisational impacts • Space to offer innovative solutions/services • Achievable but challenging metrics/targets leading to observable progress • Opportunities to engage with local suppliers and small and medium-sized enterprises, to support the local/regional economy
Local Authorities	<ul style="list-style-type: none"> • Engagement with on-going and future initiatives in the region. • Accurate forecasting and reliable delivery of affordable, comfortable and environmentally responsible new homes. • Authentic and courageous leadership that raises standards and inspires transformative action across a range of sectors. • Meaningful action which progresses key agendas, including tackling inequality, improving health and educational outcomes and creating sustainable and resilient communities. • A joined-up and holistic approach the delivery of housing and associated services that meets the needs of residents. • Shared performance data that can be valuably aggregated across the region to monitor progress
Sector	<ul style="list-style-type: none"> • Good governance which is effective in translating national, regional and organisational policy into positive outcomes for people and planet. • Wise decision making that delivers value for money for taxpayers. • Judicious action and investment that strengthens lender confidence in the sector. • Leadership on carbon reduction which helps stimulate wider action and develop supply chain experience and capacity. • Standardised reporting to benchmark and leverage sector-wide performance improvement (e.g. adoption of the Sustainability Reporting Standards for Social Housing)
Funders / Investors	<ul style="list-style-type: none"> • Ethical and professional standards evidenced by meaningful and consistent ESG reporting. • Transparent organisations keen to disclose performance information and engage pro-actively with lenders • Effective systems and processes, enabling engaged individuals/teams to collect insightful, verifiable and complete performance data. • Planned Use and Management of Proceeds, representing high quality investment opportunities that meet the expectations of lenders/Second Party Opinion (SPO) providers. • Sustainability values, credentials and performance metrics aligning with the issuance of Green/Social/Sustainability or Sustainability-linked bonds.

Figure 13 - Perspectives and priorities of key stakeholder groups

To date, primary stakeholder engagement has been focused on two key groups: Residents and Internal Stakeholders. Over the first year of this strategy, a process of engagement with other key stakeholders is proposed to help inform the implementation and future evolution of this strategy. Key stakeholder perspectives and priorities are summarised in Figure 13 and 14.

5) Sustainable Reporting Standard for Social Housing

d) Outcomes

A suite of high-level intended outcomes are set out spanning the environmental themes and business areas – see Figure 14. Collectively, these outcomes can be viewed as what “Do the Right Thing” means for Southern in terms of environmental sustainability.

	New Build	Existing Homes	Operations
Cutting Carbon	Reduce CO ² emissions from the making and running our new homes	Reduce CO ² emissions from maintaining, improving and running existing homes	Reduce CO ² from our workplaces, how we travel and what we purchase
Improving Biodiversity	Create homes and places that work well for people and nature	Manage places for wildlife and improve community access to nature	Champion biodiversity and the benefits of nature in and around our workplace
Enhancing wellbeing	Design and deliver homes that support physical and mental wellbeing	Support resident wellbeing and make sustainable living easy, affordable & attractive	Provide and promote healthy, happy and productive workplaces
Ethical procurement	Choose sustainable materials, products and suppliers	Care for and curate homes and places responsibility and sustainability	Create positive environmental impacts through operational choices

Figure 14 - Environmental Sustainability intended outcomes

The outcomes were informed by both feedback from residents (May 2021), and from internal stakeholder responses to the question “What does great looks like?” for Southern gathered through a series of sustainability workshops held over August and September 2021.

e) Risks and Opportunities

Reflecting the intended outcomes, and considering feedback received from internal stakeholder workshops, Figure 15 and Figure 16 below set out an outline assessment of risks (of doing nothing or not enough) and opportunities (from outperformance).

	New Build	Existing Homes	Operations
Cutting Carbon	Create retrofit projects of the near future	Non-compliant assets escalating energy costs Costly urgent retrofit increased financing costs	Escalating energy costs Negative reputation impacts
Improving Biodiversity	Contribute to net biodiversity loss	Don't meet resident expectations	Fail to attract/retain talent, and reduced staff wellbeing
Enhancing wellbeing	Negative health impacts e.g. overheating	Negative health impacts Less attractive assets	Negative health impacts on recruitment, retention and productivity
Ethical procurement	Reputational risks Out of step with policy, e.g. circular economy	Negative unintended consequences of retrofit	Recruitment, retention and morale problems from not meeting staff expectations

Figure 15 - Key Risks (of doing nothing or not enough)

	New Build	Existing Homes	Operations
Cutting Carbon	Leadership, by focus on. <ul style="list-style-type: none"> Resident outcomes Actual performance 	Not just carbon, but efficiency, affordability, air quality, comfort	Reduce operational costs Align with employee values
Improving Biodiversity	Biophillic design for wellbeing Biodiversity action planning	Apply "new build" approaches Contribute to climate resilience	Partnership and engagement opportunity through volunteering
Enhancing wellbeing	"Healthy homes" approach for resident wellbeing and better assets	Build social value around environmental projects and initiatives	Support improvement of staff wellbeing and productivity
Ethical procurement	Optimise for lifecycle cost and CO ²	Show the way with sustainable "place-keeping" approach	Walk the talk, as a social business Show sustainable supply chain

Figure 16 - Key Opportunities (for outperformance)

The above thematic risk and opportunity assessment should be considered alongside the high-level Political, Economic, Sociological, Technological, Legal and Environmental (PESTLE) assessment of risk and opportunity set out within the strategic context section. As well as the outline assessment of implementation risk included within the later Implementation approach section.

f) Priority areas

This strategy and associated framework is broad in scope. To be focused and effective in its implementation, it is important that a level of ambition and prioritisation is set. This approach will help to ensure optimised performance, value for money, and effective transformation.

Four priority areas have been identified through a process of pulling together stakeholder perspectives with intended outcomes, alongside looking at high-level risks and opportunities and a broad consideration of regulatory focus.

	New Build	Existing Homes	Operations
Cutting Carbon	Net zero carbon		Own House in Order
Improving Biodiversity	Healthy people, Healthy Planet		
Enhancing wellbeing	Whole Life Value		
Ethical procurement			

Figure 17 - Establishing four priority areas

Priority area	Focus	Stance	Environmental impact	Environmental urgency	Regulatory focus	Peer focus	Stakeholder focus	Reputational importance	Social value potential
Net zero Carbon	<p>Be Net Zero Carbon across all our homes by 2050 and in our day-to-day business activities by 2030. Energy Performance Certificate (EPC) C for rented properties by 2035 (2030 for 'fuel poor' households), with min of 75% of homes to be EPC C+ by 2024</p> <p>Demonstrate leadership not by going first or fastest, but through a resident-centred approach based on actual reductions in energy use performance and residents' bills, whilst avoiding creating the retrofit projects of the future by shifting our new build pipeline to be net zero by 2030 at the latest.</p>	In the pack	H	H	H	H	H	H	M
Own House in Order	Engage and support staff, supply chain and partners on an authentic journey to cut negative environmental impacts and increase the positive ones. Embrace the low-hanging fruit (e.g. contractors standing ready and willing), make the tough decisions (e.g. poor office energy efficiency), share successes and failures.	Walk the talk	L	H	M	M	M	H	H
Healthy People, Healthy Planet	Differentiate by creating and curating homes and places focused on mental and physical wellbeing. Focus on conditions and connections inside and outside the home, particularly with nature. Ensure the way we build and manage homes supports biodiversity. Be fit for a future climate (flooding, overheating risks). Support residents' sustainable lifestyle choices.	Drive Forward	M	H	M	L	M	H	H
Whole Life Value	Buy wisely. Apply a triple-bottom-line lens and lifecycle perspective to specification and responsible procurement. Work with and learn from others in this emerging area. Reduce and manage waste and water responsibly.	Engage and improve	M	H	M	M	H	H	M

Figure 18 - Expanding on the four Priority areas

g) Objectives

Sitting below the overarching outcomes, and supporting the delivery of identified priority areas, are a set of objectives. These can be considered as “we will” commitments, as presented in Figure 19 below.

	New Build	Existing Homes	Operations
Cutting Carbon		Be Net Zero Carbon by 2050	
	Build 100% Net Zero (2027 starts, 2030 finishes)	Min of 75% of homes to be EPC C+ by 2024	Be Net Zero Carbon by 2030
	Use "fabric first" energy use intensity as a driver not EPC	Increase the percentage of homes and estate on green energy supply (direct or tariff)	Cut energy use and supply all our offices with green energy (direct or tariff)
	Close the "performance gap" between predicted and actual energy use	Ensure EV charging access	Ensure our agile working strategy delivers sustainability outcomes
	Measure and reduce embodied carbon		Reduce fleet carbon impacts
	Ensure EV charging access		
Improving Biodiversity	Ensure capability as an energy supplier / manager of heat networks is being developed		
	Ensure heat networks are operated efficiently and transparently		
	Carry out an audit of Southern's natural assets, set a baseline for future monitoring and devise a Biodiversity Action Plan		
Enhancing wellbeing	Increase biodiversity and climate resilience of open spaces within our communities		Increase biodiversity and climate resilience of our offices and local areas
	Work with residents and partners to improve local access to nature		
	Provide all residents with guidance on ventilation, heating, recycling and sustainable transport		Create and maintain "healthy workplace" programme covering offices and agile working environments
	Ensuring all new homes passing CIBSE TM59 overheating criteria (and TM52 for non-residential)	Mitigate overheating in homes (SRS C18)	
Ethical procurement	Ensuring all new homes meet good practice standards for daylight, sunlight and noise	Undertake retrofit projects in accordance with TCPA Healthy Homes principles	Align the Group's existing colleague wellbeing programme with a greater focus on the environmental links to wellbeing
	Use Whole Life Value* approach to guide design, construction, maintenance and retrofit approaches		Develop and deploy sustainable procurement practices to meet economic, social and environmental objectives
	Explore and utilise impact-related funding to successfully deliver projects for sustainability outcomes		
	Minimise potable water use in buildings and landscaping, Minimise construction and operational waste Maximise repair, reuse and recycling, Maximise the use of regenerative or secondary materials		

Figure 19 - Using the strategic framework to set key objectives

A note on Whole Life Value

Whole life value (WLV)⁵ encompasses economic, social and environmental aspects associated with the design, construction, operation, decommissioning, and where appropriate, the re-use of the asset or its constituent materials at the end of its useful life.

WLV relates to assessment of the benefits brought by something in relation to the resources needed to achieve it. In the context of construction projects it is normally expressed as a ratio between a function and the whole life cost for that function. This is different from whole life costs (WLC) which considers costs associated with the life of the project itself; its construction, operation, disposal, etc.

In calculating the WLV the following considerations may be taken into account:

- Energy costs associated with the project.
- Facilities management costs and quality.
- Potential costs of retrofitting.
- Durability and resilience.
- Fitness-for-purpose.
- Long-term value to society (e.g. a road tunnel that reduces journey times and therefore, energy consumption).

As such, the WLV of an asset can therefore be seen as the optimum balance of stakeholders' aspirations, needs and requirements, and the costs over the life of the asset (footnote nr 6).

h) KPIs and targets

Setting indicators and targets can be helpful in inspiring, coordinating, managing and evidencing progress within complex environments with large numbers of stakeholders and / or challenging timescales.

For some of the intended outcomes and focus areas set within this strategy, associated indicators and targets may come from existing standards or industry benchmarks. For example, percentage of homes achieving certain EPC ratings. For others, such as residents' wellbeing and experience of their community, hard metrics are less appropriate.

For each outcome area one or more targets and indicators have been defined. These are set to support advancement and help us to identify (and where appropriate quantify) progress, year on year. Where possible we have chosen to adopt indicators used within the sector to enable us to benchmark our performance. This will include indicators within the Sustainability Reporting Standard (SRS) so we are able to engage with, and benefit from, this increasingly sector-wide framework.

5) https://www.designingbuildings.co.uk/wiki/Whole-life_value

6) Bourke, K, Ramdas V, Singh, S, Green, A, Crudgington, A, Mootanah, D (2005) Achieving whole life value in infrastructure and buildings. Garston, Watford: Building Research Establishment, www.brebookshop.com

The indicators and targets set out below, and as addressed further in the draft Action Plans, should be considered as a working draft. Refining and finalising these, including through engagement with further key stakeholders (e.g. Investors, Local Authority partners and key suppliers) is identified as one of a number of Best First Steps.

	New Build	Existing Homes	Operations
Cutting Carbon	Scope 1, 2 & 3 GHG emissions in Kg CO ₂ eq (SRS C16)		
	Net Zero Carbon balance		
	EPC Rating (SRS C15)	EPC Rating (SRS C14) with heritage variants	Average workplace EPC ratings
	Average energy / carbon intensity	Total carbon per rented property managed (tnCO ₂ e/property)	Percentage of office floor area on green energy supply (direct or tariff)
	Average measured performance gap	Percentage of estate and homes on green energy supply (direct or tariff)	Workplace CO ₂ emissions (tnCO ₂ e per m ² or office-based FTE)
	Embodied CO ₂ savings in kgCO ₂ e/m ²	Percentage of homes with EV charging access	Total mileage, by mode and CO ₂ per mile
	Heat network performance metrics		
Improving Biodiversity	Biodiversity value of Southern's natural assets, including urban greening factor		
Enhancing wellbeing	Performance metric(s) related to resolution of and learning from resident complaints received related to comfort in their home		Staff self-reported wellbeing and productivity
	Percentage of homes evaluated which fail to meet overheating, sunlight, daylight or noise requirements		
Ethical procurement	Percentage of total annual spend covered by sustainable procurement process		
	Sustainable construction materials data	Sustainable construction materials data	Sustainable product and materials data
	Construction waste management data	Percentage of materials are regenerative or secondary	Potable water use
		Potable water use	Waste reduction, repair, reuse and recycling
		Operational waste data	

Figure 20 - Proposed Key Performance Indicators and Targets

i) Guiding principles

To complement the strategic vision, framework, outcomes and KPI, a set of guiding principles are proposed. These principles reflect the ambition and priorities for Southern's approach to environmental sustainability and are proposed to be used by our staff and our supply chain to guide decision-making in the selection of the best solutions within a complex and dynamic context.

Building upon our Group's values, and stakeholder feedback received in the development of this strategy, draft guiding principles are proposed below in summary.

- Do the right thing
- No 'unicorns' or 'silver bullets'
- No one-way streets
- No regrets
- Use pilots to try, evaluate, share and improve
- Be resident-focused and involve residents in this strategy's implementation
- Take the long-term view
- Optimise not maximise

This framework of guiding principles will be used as a key element of regular 'strategic check-ins' that the governing forum carry out. These check-ins will take a look-back / look-forward approach, to include:

- Evidence and progress reviews - how we're doing?
- Sector and regulatory radar reviews - how is the context is changing?
- Direction review - are the Principles still being aligned to / delivered against?

j) Transition to Net Zero Carbon

Net Zero Our Approach

Following a century of relative stability in the way that we build and live in our homes, we will see homes and communities become very different by 2050. Our homes are central to tackling climate change; they will be at the heart of the energy and transport infrastructures of the future.

In line with our international obligations under the Paris Agreement, and the advice of the Climate Change Committee (CCC), the government has legislated for the UK to reach net zero carbon⁷ emissions by 2050, with intermediary targets of a 68% reduction by 2030 and a 78% reduction by 2035 (compared to 1990 levels).

UK homes account for around 30% of energy consumption and 27% of UK emissions and therefore we as a housing association are in the privileged position of being able to make a significant difference.

7) The UK Government works to the definition of 'net zero carbon' being reducing carbon dioxide (CO₂) emissions as much as possible in combination with removals or offsetting, with the net result being zero emissions.

As a business we produce carbon through our homes and our business activities.
To achieve net zero carbon we will need to:

- reduce our energy demand (energy efficient buildings, less waste and efficient resource use)
- increase our use of low carbon and zero carbon technologies
- offset any residual carbon using recognised industry schemes

We acknowledge the Climate Emergency and we're committed to being Net Zero Carbon across all our homes by 2050 and in our day-to-day business activities by 2030.

Net Zero - Our footprint

The Sustainability and Net Zero Carbon: background briefing note (May 2021) provided background information on context, drivers and our current carbon impacts as a business.

This note set out a recommended scope and baseline for a Group carbon footprint based on the Greenhouse Gas Protocol (GHG), a global, standardised monitoring framework recognised by UK government.

In line with this framework the Group's baseline carbon footprint for 2019/20 was 54,984 tonnes of CO₂ equivalent (tnCO₂e). The composition of this footprint is shown below in Figure 21.

	Baseline year 2019/2020	
	tnCO ₂ e	% of CO ₂ footprint
Existing Stock	53774.5	97.8%
Offices and Hubs	571.9	1.0%
Staff Mileage	383.4	0.7%
Fleet Mileage	254.6	0.5%
Total	54984.4	100%

Figure 21 - Southern's baseline Carbon footprint

Figure 22 provides a detailed breakdown of the Group's emissions in and out of scope of this carbon footprint calculation.

Scope	Included	Excluded
Existing homes	All rented homes	Shared ownership Private sale
New Homes	All rented homes	Shared ownership Private sale
Residents' usage of homes	'Regulated emissions' e.g. heating, hot water, lighting, ventilation and operational/in use	Unregulated emissions' e.g. cooking/ appliances Embodied carbon
Landlord utility supplies	Electricity Gas	
Offices	All offices with individually metered energy supplies Waste (where info available)	Small offices w/o individual metering Waste (where info not available) Consumption of consumables
Transport	Fleet fuel use Company car use Staff vehicle mileage Public transport	Staff commuting Contractor mileage
Community centres and commercial property		Electricity, gas, water, waste
Major contracts		Fuel and energy consumption
New build sites		Fuel and energy consumption

Figure 22 - Scope of Southern's footprint

For reporting purposes, the Group's carbon emissions in tonnes and kilograms carbon dioxide equivalent (tnCO₂e) will be divided by the number of rented properties the Group owns to produce a per property carbon metric which can be compared to benchmarks. The above calculation equates to 2.28 tnCO₂e per property – equivalent to a passenger taking two direct return flights from London to New York. This will act as our reporting baseline going forwards and be subject to further data validation and improvements.

We will our monitor the emergence of consistent reporting approaches in the sector and update our carbon scope, metrics and reporting accordingly. We plan to review the inclusions and exclusions of this scope by March 2024.

Net Zero - Our priorities

To address the important role housing has in achieving the Net Zero Carbon, the UK government has set a number of targets to improve homes:

- **2021** Revisions to Part L7 (energy efficiency element of the Building Regulations)
- **2023** (TBC) New Heat Network Regulations
- **2025** Future Homes Standard and no new gas connections
- **2030** EPC Band C minimum for all rented properties
- **2050** All homes net-zero carbon emissions

As the housing sector and our peers face the significant step changes required, our aim is not to be 'first', or 'best' – but rather to deliver robust positive impacts and real-world benefits to our residents. This is about comfort and cost as well as carbon. Our resident-centred approach is based on actual performance helping to avoid creating retrofit projects of the future.

Alongside putting in place steps to cut carbon emissions from our new and existing homes, we will ensure that practical measures to adapt and mitigate the effects of climate change will be implemented. Building upon the Design for a Future Climate framework to consider:

- Designing for comfort
 - Keeping cool – building design
 - Keeping cool – external spaces
 - Keeping warm
- Construction
 - Structural stability – below ground
 - Structural stability – above ground
 - Weatherproofing, detailing and materials
- Managing water
 - Water conservation
 - Drainage
 - Flooding

Net Zero - New Homes

This section summarises the approach set out in the Transition to Net Zero: New Build Developments presented to the Executive Team by the Head of Design & Quality.

The CCC's modelling recommends that the residential sector should be Net Zero by 2048 and has shown it to be feasible by 2044. We forecast the social housing sector will be compelled to achieve the earlier 2044 target. To reduce future liabilities, we are intending to transition our new build development programme from minimal carbon compliance to Net Zero Carbon (NZC) by 2030.

The vision for our pathway to NZC homes is aimed at providing comfortable and attractive homes, that are affordable to residents to heat and that are also resilient against regulatory changes. We recognise that this will require an increased focus on actual building performance instead of relying on EPCs and minimal regulatory compliance. This approach will reduce the number of residents' homes affected by disruptive retrofitting in the decades ahead.

The three key ingredients of our approach will be based on the work of the London Energy Transformation Initiative (LETI), being:

- Target ultra-low energy fabric efficiency to ensure affordability and demand reduction (fabric first)
- Install heat pumps for clean heat and energy efficiency
- Meeting the remaining energy demand on-site using solar panels (where possible)

For our new build homes, we will take a phased approach. This will see our current baseline (design and specification) for new homes being phased out by 2025, being incrementally replaced with more efficient and lower carbon 'stepping stone' and Net Zero Carbon (NZC) performance standards.

The proposed stepping stone specification includes very or ultra-low energy fabric, double/triple glazing, enhanced air-tightness, Mechanical Ventilation with Heat Recovery (MVHR), a heat pump/direct electric heating, Domestic Hot Water (DHW) storage and solar PV. The cost uplift for achieving this standard over and above the Part L (2021) baseline has been estimated as being 0-4% (depending on the building type).

The proposed Net Zero specification includes ultra-low energy fabric, triple glazing, an air-tightness <1 (certified to Passivhaus), MVHR, heat pump, DHW storage and solar PV. The cost uplift for achieving this standard over and above the Part L (2021) baseline has been estimated as being 4-6% (depending on the building type),

These two enhanced performance standards are proposed to be targeted in parallel, with the percentage of NZC homes being started on site increasing year on year. By 2027 100% of homes being started on site will be NZC, ensuring that all new SHG homes are net zero carbon by 2030. This phased roll-out will help us manage the risks of implementing new standards, build capacity and capture project learning gained through the programme. Two alternative roll-out models are being considered a) conservative integration and a faster b) enhanced integration.

Approving the stepping Stone and net zero carbon approach and Standards is a key task within the new homes action plan. Similarly, agreeing the rate of the phased transition.

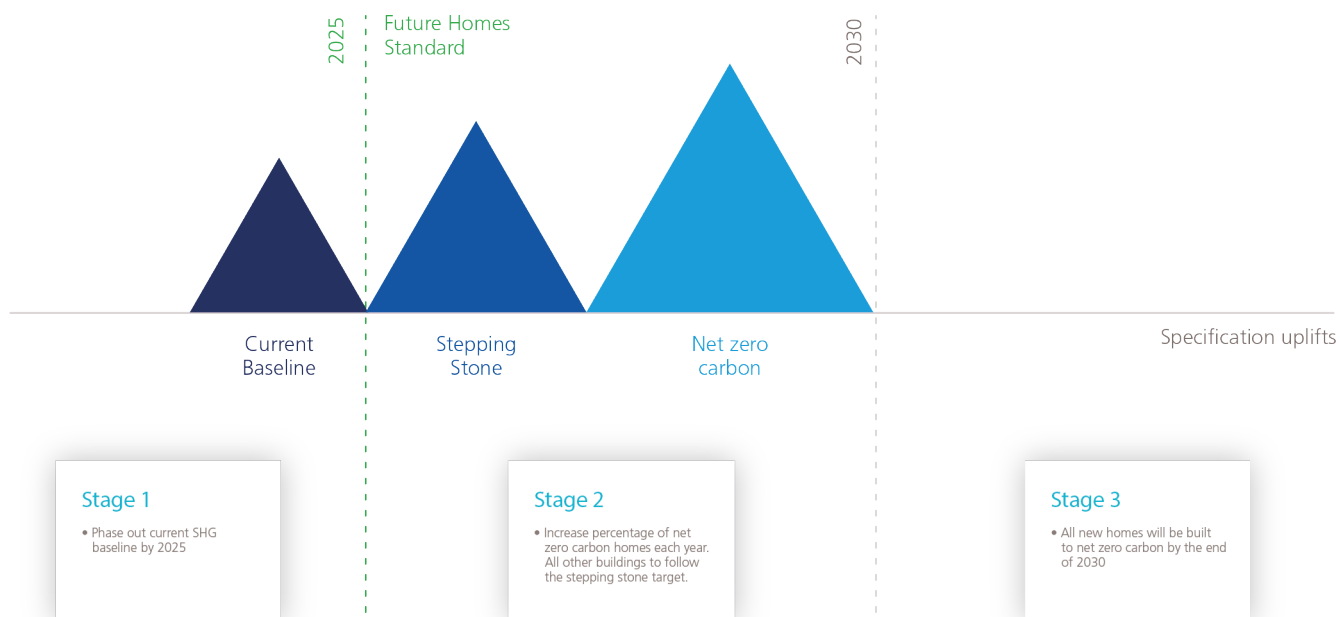


Figure 23 - A three-stage pathway to zero carbon new build homes

% targets for Stepping stone and Net Zero Carbon new homes each year, will allow some flexibility in the approach to be taken to specific development sites – whilst ensuring SHG meets the target of 100% of new homes being NZC in 2030.

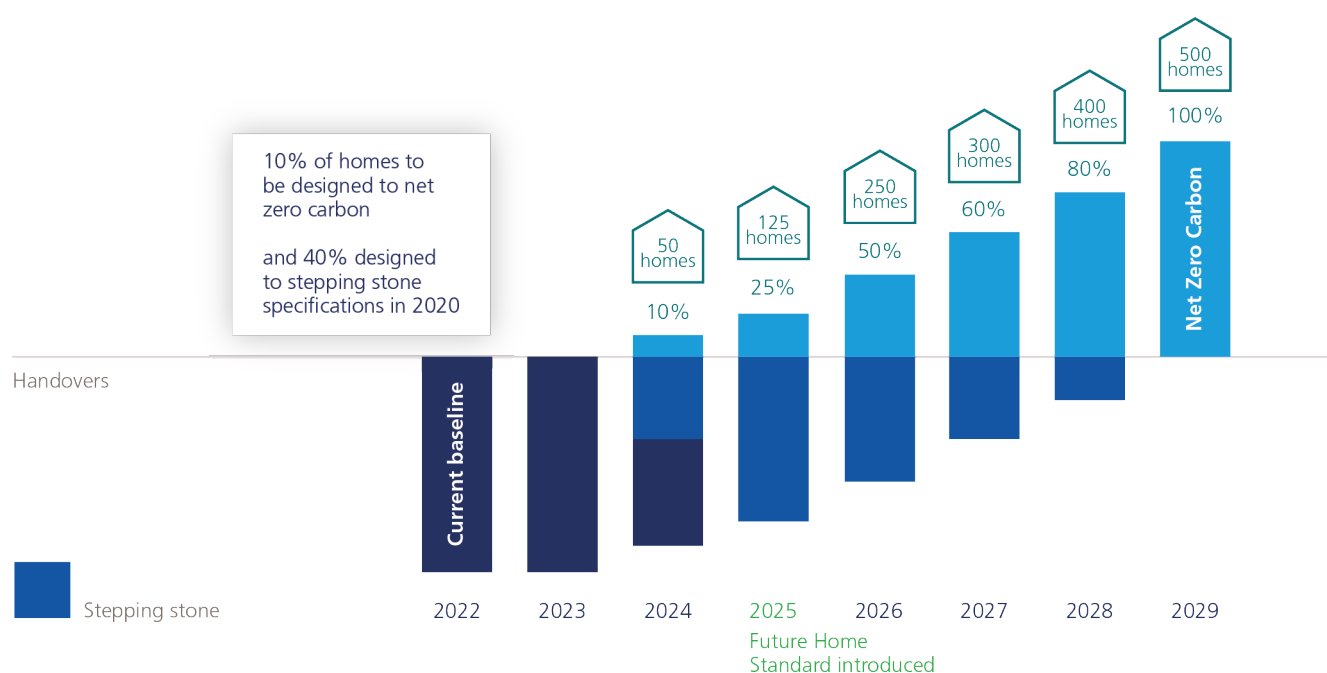


Figure 24 - Mapping delivery pipeline against zero carbon trajectory

Net Zero - Existing Homes

With around 80% of the UK's 2050 building stock already built, and SHG's existing stock accounting for 97.8% of the organisation's 2019/20 baseline emissions, retrofitting our existing homes is critical.

In line with the National Housing Federation's emerging decarbonisation task and finish group's findings (discussion paper, 2021), Southern's approach is based upon, as a minimum, achieving a minimum energy efficiency standard as soon as possible, and then installing clean heat.

Our approach aims to ensure that, as a minimum, all of our rented properties achieve the regulatory requirement of Energy Performance Certificate (EPC) C by 2035, with a target of 2030 for 'fuel poor' households. We acknowledge and will strive to meet the Climate Change Committee's statutory advice that the vast majority of fabric energy efficiency improvements should be completed by 2035, with all social homes reaching EPC C by 2028.

We echo the perspective of the National Housing Federation's decarbonisation task and finish group that "it is widely understood that EPC ratings are a flawed measure of energy efficiency and can drive awkward behaviour in their current form". To this end, beyond meeting our EPC improvement targets for existing homes, our efforts will be focused on targeted interventions, improvements and resident engagement activities to drive real world benefits in terms of comfort, cost and carbon.

Evaluating the performance of our existing homes in terms of these three C's will be important to us both gaining valuable insights and engaging effectively with our residents. We will undertake an optimised learning programme to include elements of physical building performance evaluation and post-occupancy evaluation surveys with our residents.

The arising data insights will directly contribute to:

- Providing accurate energy and carbon data for reporting purposes
- Highlighting specific issues and opportunities evaluated homes
- Engage residents on how their home and lifestyle choices influence their carbon emissions
- Identifying learning points and efficiencies for future retrofit projects
- Providing evidence to support the wider sector's transformative journey to Net Zero Carbon.

Heat Networks

With the development of heat networks a key part of the UK strategy to achieve low and zero carbon heating and hot water in our homes, housing associations are taking on a wider remit, effectively becoming energy companies, purchasing utilities and selling heat to residents, and managing the plant and resident relationship in the middle.

In terms of scale, in 2021, SHG currently has in the region of 3500 properties on heat networks with more coming online going forwards as a standard part of the development programme.

The financial scale of this energy provision is approximately £2m per year as Southern purchases gas and metering services and then recoups costs from residents. This poses a significant financial risk, for example if these networks have significant issues of debt, inefficiencies or incorrect heat tariffs with financial losses in the region of 20-25% not uncommon for unmanaged networks in the sector.

The trend for housing associations to become energy providers will continue with the roll out of electric vehicle infrastructure and flexible energy management services, both outlined below.

Electric Vehicle (EV) infrastructure, where housing associations are required to install EV charging points through planning requirements on new build developments. This will be followed in time by installations on existing estates that will be led by resident demand as the roll out of electric vehicles continues, requiring home charging infrastructure. In both scenarios, SHG will be purchasing electricity and then reselling to residents, continuing the extension of its role from housing provider to housing and energy provider with increased financial risk if not managed correctly.

Flexible energy management services such as

- Energy generation and storage via renewables such as solar photovoltaic panels and batteries.
 - Energy storage and resale linked to time of use tariffs storage and grid capacity. This will also be linked to the roll-out of EVs which will create a network of storage capacity across the UK.
 - Demand Side Response (DSR), incentives provided to reduce real time demand/consumption based on grid capacity
-

Heat networks have the potential to offer

- Low carbon energy and support decarbonisation through: flexible heat sources gas, biomass, geothermal, heat pump, energy from waste, waste heat
- Low cost: Heat networks should cost less for residents than gas/electricity on average.
- Low hassle: they should be easier for landlords to manage, with no requirement for gas safety checks and easier access to M&E (plant room, external HIUs).

This strategy recommends the development of a supporting Heat Networks strategy and action plan, supported by a working group to ensure the following principles, values and actions are taken forwards in order to fully deliver these benefits for residents and the group, supporting our net zero ambition:

Principle	Detail	Values & Actions	SHG Corporate Strategy Alignment
Excellent Customer Service	SHG will provide excellent customer service to heat network customers	Transparent Minimise complaints Clear communication Easy access to information Support Vulnerable customers	Listen to our residents
Compliant	SHG will be compliant with existing heat network regulation and prepare for upcoming regulation (Heat Networks Market Framework - HNMF)	Flexible Decarbonisation of SHG's housing stock Responsive in future developments Keep future options open	Builder greater trust, transparency and accountability
Efficient	SHG will develop and operate efficient heat networks	Good technical performance Clear heat network data strategy to include monitoring and Optimisation and improvement strategy identified for any heat networks that fall below required technical performance	Invest in our Homes, Strengthen our Communities
Financially sound	SHG will manage financially around heat networks	Heat tariffs and service charges will be set to recover heat network operating costs Heat tariffs will be regularly reviewed and benchmarked Heat network debt will be minimised and managed with a clear debt policy	Strengthen our Finances
Consistent	SHG will provide a consistent service to heat network customers	Strategic approach to heat network management Clear policies, processes, and procedures Defined heat network management roles and responsibilities Internal collaboration	Empowering our people

Relevant KPIs and measures will be developed by the working group to ensure efficiency, value for money, energy performance and resident satisfaction is measured, and an approach to managing building information is supported.

Net Zero - Our Operations

Our 2019/2020 baseline carbon footprint shows that 2.2% comes from our travel and offices. The Group is already required to report emissions from business operations under the 'Streamlined Energy & Carbon Reporting' (SECR) requirements in its annual report. SECR reporting does not require emissions from housing stock, it only includes the 2.2% from travel and offices/hub emissions.

Recent (and future) office refurbishments and agile working opportunities create opportunities to cut carbon, reduce operational costs and support improved staff wellbeing and productivity through better working environments and more flexible ways of working. In our 2017 strategy we committed to our main offices and hubs all being between EPC A-C, and this is a goal we remain committed to.

As both a landlord and tenant of commercial property, EPC ratings are relevant to our business and its environmental sustainability performance. Where we have control, we commit to fully complying with mandatory minimum energy efficiency standard (MEES) requirements, as set out below in Figure 25. Where we have no direct control, we will use our influence to support our landlords, commercial tenants and associated partners in meeting or exceeding these requirements.

Date	Requirement
Since 1 April 2018	Unlawful for landlords to grant a new tenancy of commercial property with an EPC rating of 'F' or 'G'. This applies to both new leases and renewals (unless an exemption applies and the landlord has registered that exemption).
From 1 April 2023	Extended to include existing leases making it unlawful for a landlord to continue to let commercial property (unless an exemption applies and is validly registered).

The proposed framework sets out a phased implementation with the introduction of compliance windows as follows:

Date	First Compliance Window: EPC C (2025-2027)	Date	Second Compliance Window: EPC B (2028 – 2030):
1 April 2025	Landlords of all commercial rented buildings in scope of MEES must present a valid EPC	1 April 2028	Landlords of all commercial rented buildings in scope of MEES must present a valid EPC.
1 April 2027	All commercial rented buildings must have improved the building to an EPC \geq C, or register a valid exemption.	1 April 2030	All commercial rented buildings must have improved the building to an EPC \geq B, or register a valid exemption

Figure 25 - Commercial space EPC compliance path ahead

The shift to home-based working in the light of the 2020-21 pandemic has seen a drop in recorded workplace related carbon emissions. To an extent, this is because our staff are using energy in their homes for work instead of in our offices. Hence carbon emissions still result. Looking forward, Southern will develop our footprinting methodology to take account of our “new normal” working arrangements to best take account of total emissions from work undertaken by our staff in our offices, at home and at other locations.

The lockdowns of 2020-21 have also impacted our work travel patterns, both for commuting and service delivery. As restrictions ease, we will gather data and staff preferences to provide a refreshed baseline and strategy with the aim of both reducing travel need (e.g. through conferencing technology) and increasing the use of more sustainable alternatives to private fossil-fuel car use.

Over the course of this strategy we will consider how best to reduce the carbon emissions generated by our fleet of vehicles and begin to transition some of our fleet vehicles from fossil-fuels to electric.

Vehicles play a key role in delivering repairs services to residents through Southern Maintenance Services and through the contractors we partner with. Vehicles transport also plays a key role in delivering estate cleaning and gardening services across our communities and estates. Transitioning to the use of electric vehicles will facilitate authentic and sustainable carbon reductions associated with operational mileage.

We will review our company car scheme and carry out a feasibility study and cost-benefit appraisal for the adoption of electric vehicles in our Southern Maintenance Service and Estate Care services, supported by viable and appropriate introduction of EVCPs at schemes and offices.

We will work with our partner contractors to understand their plans for reducing their carbon emissions and environmental impact.

We will develop analytical capabilities to ensure vehicles travel using the most efficient routes, saving time and mileage.

Net Zero - Looking ahead

The above strategies for new and existing buildings is focused on residential buildings as these represent the majority proportion of Southern's portfolio. However, our assets include a significant number of retail, community and other non-residential spaces. It is important that these are similarly addressed in terms of their sustainability performance to both contribute positively towards the overarching Group targets, but also to communicate the breadth, depth and authenticity of our approach to our key stakeholders. On this basis, key tasks sitting with our New Build and Existing Buildings Action Plans will be related to similarly addressing performance across the four environmental thematic areas in our non-residential assets.

UKGBC (UK Green Building Council) has developed a framework definition for net zero carbon buildings to provide the industry with clarity on how to achieve net zero carbon in construction and operation.

The framework⁸ sets out the two definitions for net zero carbon buildings and the approach that should be taken to demonstrate achievement of this status. The two definitions are:

- 1.1 Net zero carbon – construction (for new buildings and major renovations)
- 1.2 Net zero carbon – operational energy (for all buildings in operation)

The UKGBC graphic in Figure 26 sets out which sections of the report are relevant to each definition and the order in which each relevant section should be read. A building targeting net zero carbon for construction should be designed to achieve net zero carbon for operational energy.

Southern's focus in terms of Net Zero Carbon for the period covered by this Environmental Sustainability Strategy (2021 – 2024) is aligned with 1.2 – operational energy. Priorities in this period have been set within a scope that doesn't include embodied carbon at this stage, and so we won't be including it in measurements.

However, in recognition of the importance of construction related carbon (including the embodied carbon from the product and construction stages), we commit to take steps to improve our understanding and develop proposals ahead of a target to include construction impacts within our carbon footprint by 2030. These steps include:

- Identifying and using recognised and credible offsetting frameworks to ensure the appropriate offsetting of any residual Carbon emissions to provide optimised economic, social and environmental value
- Using Whole Life Value approach to guide design, construction, maintenance and retrofit approaches
- Measuring and taking steps to reduce embodied carbon in the delivery of our new home

⁸) Net Zero Carbon Buildings: A Framework Definition. UKGBC, April 2019

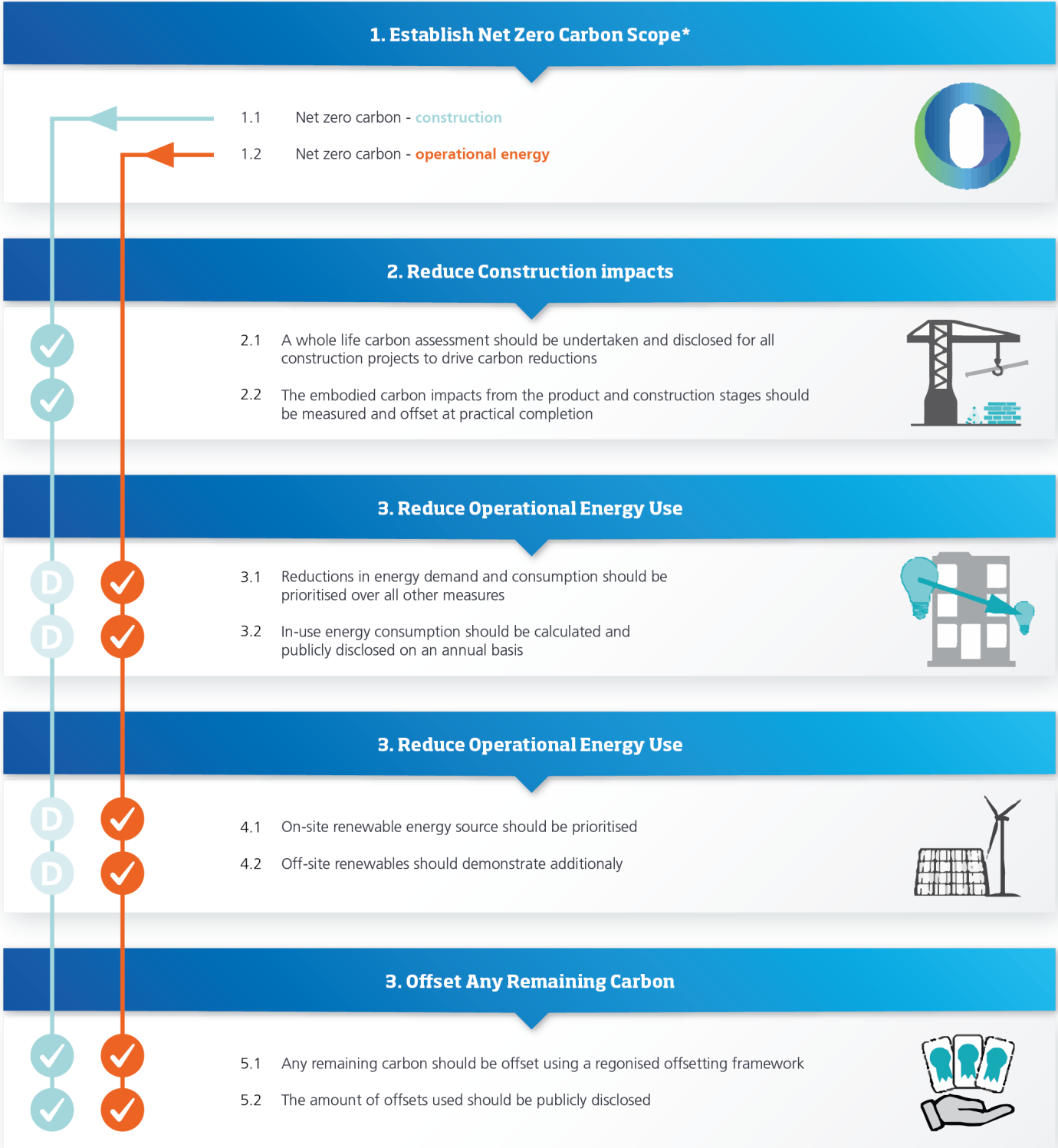


Figure 26 - UKGBC scoping summary for construction and operational energy Net Zero Carbon




IMPLEMENTATION APPROACH

....

This section sets out the key areas of an implementation approach to support the strategy's success in application. It sits within the context of the other sections within this strategy, more specifically:

4	Purpose	▶	Establishes the strategic scope and overall aims
5	Strategic Context	▶	Describes the relevant landscape, including drivers, risks and opportunities
6	Our Sustainability Strategy	▶	Outlines the scope and ambition of the journey ahead, providing the point on the horizon.
7	Implementation approach	▶	Sets out what to pack for the journey, and the approaches to governance, resourcing communication and evaluation and improvement to provide effective navigation. This section concludes with identified best first steps to starting implementation journey.
8a	Draft Action Plans	▶	Workstream focused detail for turning strategy in to practical action

The approach has been developed to align with the three strategic principles outlined in the Strategic Approach section on page 16.

Values		Principles
	▶	Authentic
	▶	Holistic
	▶	Transformative

a) Workstream Groups

We have identified five workstream groups to lead on implementing new capabilities and delivering our strategy over the next two years. These groups will need to work together to achieve our vision, but each group will oversee and be responsible for just a portion of the overall environmental sustainability programme.

Each workstream group will scope and shape one or more workstreams, which will enable them to deliver on 'their' strategic outcomes. These groups will also be responsible for demonstrating progress towards targets, which they will continue to assess are delivering the right outcomes, as well as being effective in enabling sufficient progress.

As part of developing this strategy, a number of initial thematic groups were established – see Figure 27. The intention is that these groups will form the core of the Working Groups, with key individuals from each also identified to sit on the proposed Environmental Sustainability & Net Zero Carbon Strategy Steering Group to support implementation alongside the direction of the Director of Strategic Asset Management.

New Build	Existing Homes	Our Operations	ESG	Net Zero Carbon Pathway
Group Development & Asset Director	Director Property Maintenance & Investment	Group Development & Asset Director	Group Finance Director	Director Property Maintenance & Investment
Head of Design & Technical	Head of Asset Management	Payroll & Benefits Manager	Governance Director	Heating Team Manager
Strategic Asset Management Director	Head of Planned Investment & Facilities	Maintenance Services Director	Head of Programme & Compliance	Head of Design & Technical
Head of Regen & Delivery	Strategic Asset Management Director	Director of Estate Care	Policy & Insight Manager	Head of Asset Management
Head of Aftercare	Director of Estate Care	Group Procurement Manager		Head of Planned Investment & Facilities
Representatives of property & Housing Management	Estate Care Operations Manager			Strategic Asset Management Director
	Head of Design & Technical			
	Heating Team Manager			
	Alliance Contract Manager			
	Representatives of property & Housing Management			

Figure 27 - Summer 2021 Workstream Groups

b) Action Plans

Turning strategic thinking in to action is essential, and to support this a series of Action Plans will be developed and implemented. Specific Action Plans will be created for each key area, e.g. New Homes, Existing Homes, Our Operations etc. Draft Action Plans are included as an Appendix to this strategy, to provide priority next steps for each workstream to take forwards.

c) Procurement

Southern directly procures a wider range of products and services spanning across our business areas and geographies. We also influence a much wider procurement scope through our work with partners, joint ventures, designers and supply chain.

What we buy and how we buy it is intrinsically linked to not only our Ethical procurement commitment, but to all of our wider environmental sustainability ambitions and ESG approach. To facilitate enhancing our approach in this key area, this strategy recommends starting with a review of current procurement policies, procedures and application feedback from suppliers. This recommendations-focused review would look at issues including: risks, opportunities and sector insights.

d) Roadmap

A simple routemap will be developed and used to provide a useful overview of key ambitions, targets and workstreams. This will also be a key tool in communicating our strategy to stakeholders. An indicative draft version of such a routemap is shown in Figure 28 below.

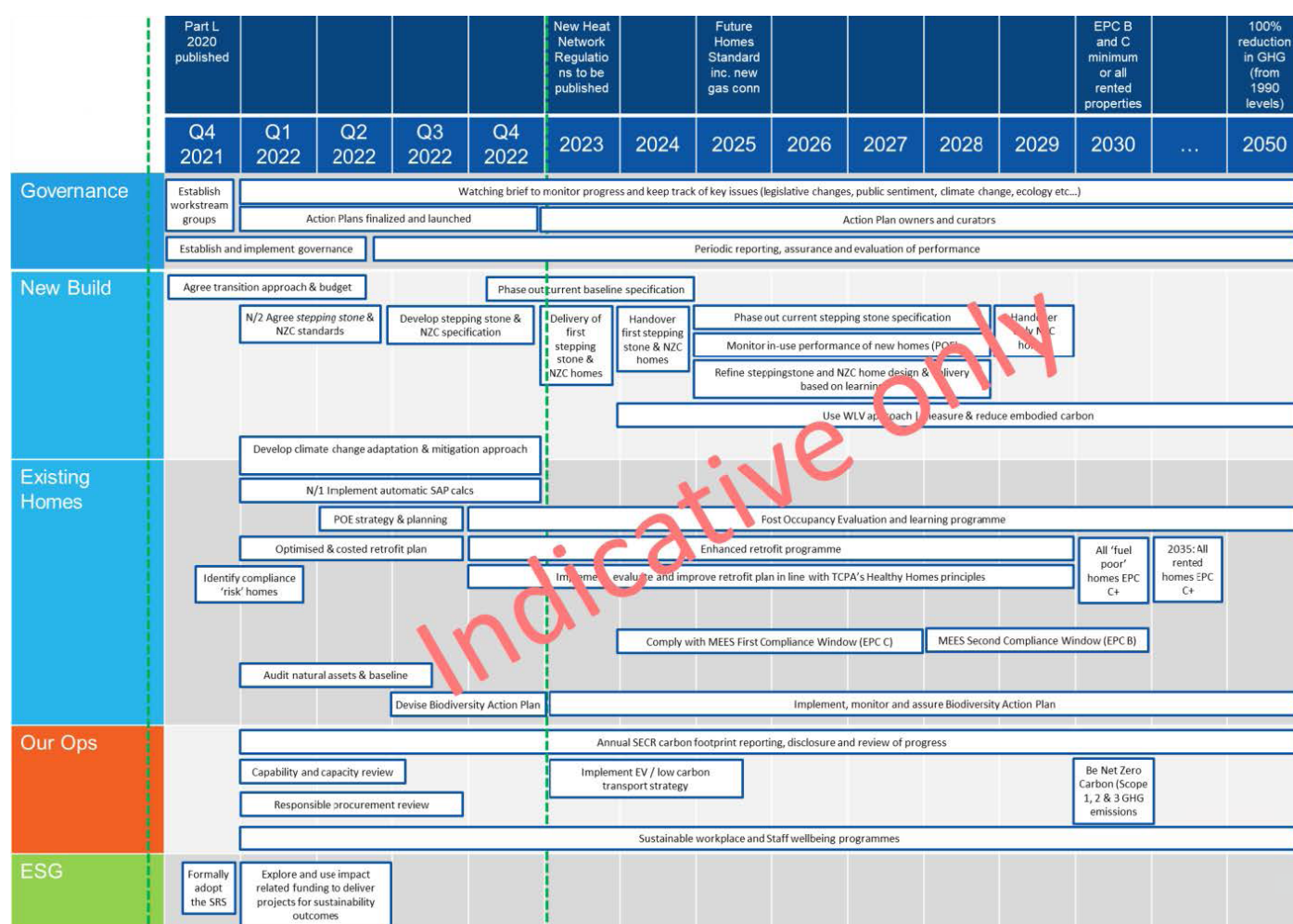


Figure 28 - Indicative sustainability routemap for Southern

e) Governance and reporting

Effective ownership of this strategy, and scrutiny of progress is critical to success. The Group has established an Environmental & Net Zero Carbon Strategy Steering Group (SSG) to perform this role. The SSG is chaired by the Director of Strategic Asset Management and is attended by the chairs and/or representatives of each workstream outlined in Figure 27. We will aim for a minimum of one non-executive director and one resident will be included in the SSG membership.

SSG will meet bi-monthly and receive progress updates and performance reports from each of the five workstream groups. Reports will cover progress against action plans, assessment of performance against KPIs, updates on emergent legislative/regulatory and policy opportunities and risks, and consider proposals and business cases.

At least annually, SSG will consider the Group's SECR reporting and wider carbon footprint reporting.

The SSG will make recommendations to the Group's Operational Management Team and Executive Team for all decisions requiring delegated authority to invest or allocate resources.

Where projects need to be initiated by the workstream groups as a result of the direction SSG sets, these projects will be subject to the Group's portfolio and project management approvals and governing approaches.

The SSG will operate at the same level as the Group's Sustainable Finance Group, both of which are ultimately responsible to the Executive Team for progress, delivery and compliance.



Figure 29 – Strategy governance structure and links to Sustainable Finance Group

f) Evaluation and improvement

Southern recognises the sense of planetary urgency that is reflected in emergent policy, and the need to act quickly. In the face of the climate emergency, the degree and pace of change required to transform all sectors and systems, precludes indecision or taking a business-as-usual approach.

We acknowledge that wide-reaching transformation in a complex and connected web of parts, will inevitably give rise to uncertainty. We appreciate the journey ahead will be in uncharted territory, but that being a necessary journey we will prepare well and embark on it hopefully and confidently.

We recognise that the degree of agency (capability and influence to bring about beneficial change) is asymmetric across the population, and thus so too is the responsibility. It is our duty as an agent of change in our sector to wisely-act, act-wisely and crucially to actively commit to increasing their wisdom in the process.

In this context we strongly believe that embedding effective learning loops are key to success. In other words, being able to evaluate, learn and improve efficiently and at pace. In delivering this strategy we will adopt a proven plan-do-review approach, as a valuable tool for thinking through and demonstrating this commitment.

We appreciate that meaningful evaluation is a critical function in the learning loop and needs to be resourced. To benefit from evaluation and make our learning process effective, our governance process will ensure that insights revealed by evaluation projects are scrutinised and translated into recommendations that will be disseminated and adopted.

We know that organisational learning is a continual and on-going process, so we are taking steps to make it part of our organisational strategy and embedding this approach in the culture of the organisation, so we can all play our part in bringing about the transformation required.

As part of our approach, we will undertake an optimised learning programme to include elements of physical building performance evaluation and post-occupancy evaluation surveys with our residents.

g) Publication and communication

This strategy is intended as an internal document, and its dissemination amongst internal stakeholders is to be confirmed. We will publish a summarised version of this strategy on our website in Q1 2022. A fuller published strategy will follow.

h) Change and risk

Implementing this strategy to meet our sustainability ambitions and commitments will require change to our ways of working. This change will impact upon our people, process and systems. Change brings risk, and it needs to be effectively planned, managed and implemented to reduce and mitigate risk.

Figure summarises five key common scenarios where one missing aspect can jeopardise successful change management.

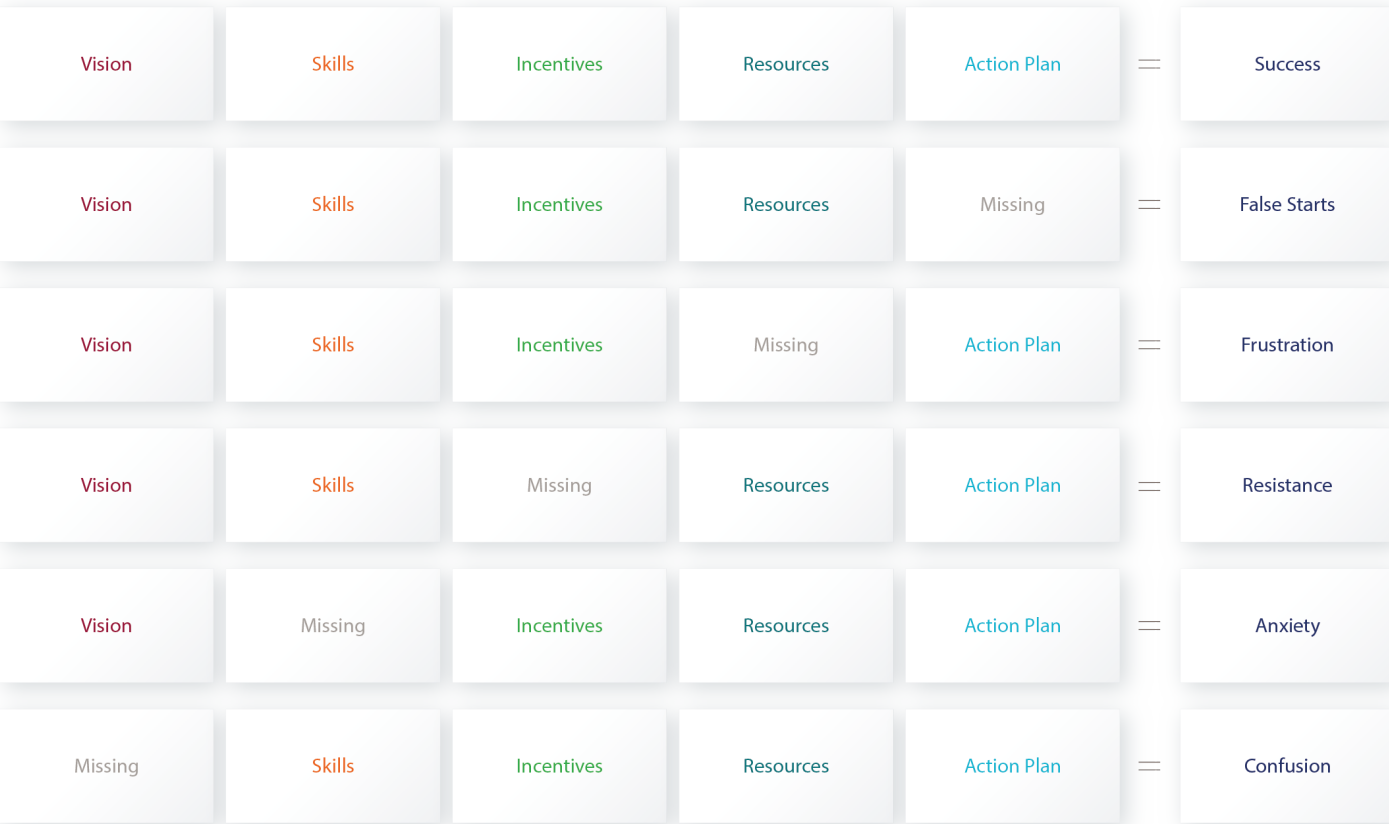


Figure 30 - Lippitt-Knostr Model for Managing Complex Change

This strategy sets a proposed Vision, however if it is not sufficiently clear and/or effectively communicated, there is a risk that any attempt at change will lead to confusion. This in turn could cause anxiety and resistance. The proposed Vision is new, but is aligned with Southern's values, organisational grain and broad ways of working. A Vision that is authentic, developed in consultation with stakeholders and paints a clear picture of a desirable future, will mitigate the risk of confusion.

If there are, or if there is a sense that, the organisation does not have the sufficient skills, expertise (or capacity – see Resource below), or access to this resource externally, there is a risk that any attempt at change might result in anxiety. To mitigate this risk, two of the first steps recommended by this strategy are an internal capability (and importantly also capacity) review and formation of new external partnerships with peer network and subject experts. It will be important for all employees to be given the opportunity to identify where they think skills/expertise/capacity is lacking or where support is needed, to prevent this review undermining individual/organisational confidence, which could also cause anxiety.

Action will demand individual energy and time. Ongoing engagement with residents and staff will be essential, as will steps to integrate our sustainability strategy with the Group's existing colleague wellbeing programme

If individuals and teams aren't sufficiently resourced to bring about the desired change there is a high risk of frustration. This is identified as a key area of risk in relation to the successful implementation of this strategy, and it is why it is structured to focus on a relative short time horizon to comprehensively explore and identify specific efficient actions and delivery mechanisms that are realistic and resourced.

An Action Plan is needed to communicate the shape, scope and pace of change. Without an Action Plan there is a risk of one or more false starts, with individuals setting off with different expectations of what is expected of them/what they can expect. Action Plans should be developed by the respective Workstream Groups.

i) Best First Steps

These are the key 'best first steps' put forward for Board approval in Autumn 2021.

Action	Who	When
1 Adopt the Sustainable Reporting Standard for Social Housing	Sustainable Finance Group	Q4 2021
2 Establish Workstream Groups and ensure they are retained, empowered and resourced to develop and finalise Action Plans Action plans to include: consideration of other key strategies, e.g. Asset Management, agile working, Community Investment, ESG etc information gathering on existing sustainability performance and relevant initiatives and activities for reference or inclusion completing missing metrics and targets • completing sets of initiatives, split into Year 1, 2 and 3 timelines to contribute to an overall programme	Workstream Groups Overseen by Sustainability Action Group	End Q4 2021
3 Establish and maintain proposed governance arrangements to include: • Establish overarching Sustainability Strategy Group, Sponsored by Group Director Development & Assets, chaired by Director Strategic Asset Management Director, and with Workstream Group representation. • Establish a Sustainable Finance Group to oversee the Group's Sustainable Finance Framework, ensuring this committee includes the Director of Strategic Asset Management	Director of Strategic Asset Management	End of Q4 2021, ongoing
4 Allocate sufficient funding from the Group's revenue budgets for FY22 onwards for the areas requiring capability-building outlined at paragraph 6.4 above, including; • Strategic coordination, research, funding and programme management within the Strategic Asset Management Directorate • Sustainability-related asset and data management including retrofitting analytical capability, monitoring building performance, and programme management within the Strategic Asset Management Directorate • Heat network strategic coordination and management • Sustainable procurement strategic coordination and management.	Strategic Asset Director and Property services director	FY2022 budget round during Autumn - Winter 2021

Action	Who	When
5 <ul style="list-style-type: none"> Investigate and make recommendations on specific industry groups, collaborations and programmes to engage with to benefit from shared insights, support and efficiencies around common sustainability challenges and opportunities. Potential groups include: Good Homes Alliance Pathfinder network and Greener Futures Partnership Investigate and make recommendations on specific industry standards and initiatives for adoption or application 	Workstream Groups Overseen by Sustainability Strategy Group	End of Q1 2022
6 <p>Develop strategy for public facing environmental sustainability strategy and communications approach. Intention to publish a summarised version of this strategy on our website in Q1 2022, with a fuller published strategy to follow</p>	Workstream Groups Overseen by Sustainability Strategy Group	End of Q1 2022
7 <p>Undertake further key stakeholder engagement to inform strategy refinement and its effective application. Including:</p> <ul style="list-style-type: none"> Investors (Corporate Finance Director as lead) Residents (Sustainability function working with Resident Involvement Team as lead) Peers (TBC as lead) Local Authority partners (TBC as lead) Key supply chain partners (TBC as lead) 	Overseen by Director of Strategic Asset Management See individual leads to left	Q1/Q2 2022
8 <p>Undertake review of current procurement and contract management policies, procedures and application feedback to include:</p> <ul style="list-style-type: none"> Review of risks, opportunities and peer comparison Gather views from current and prospective suppliers Identify: <ul style="list-style-type: none"> Recommendations for development and improvement Potential trials / pilots and their evaluation 	Procurement Manager Heads of Planned Work Workstream Groups	Q1/Q2 2022



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