

Sustainability Framework

March 2023

wheatley-group.com



***Greener homes
Greener lives***
Improving communities through sustainability

Wheatley's sustainability framework

Sustainability has always been at the heart of our aim of making homes and lives better.

In 2019, the Scottish Government declared a climate emergency with a target for net zero greenhouse emissions – where the amount we add is no more than the amount taken away – by 2045.

This sustainability framework outlines how we will address the climate emergency at a national level and in our homes and communities.

To do that, we will focus on:

- reducing emissions from our existing homes;
- building new homes that don't rely on fossil fuel for heating; and
- minimising the impact of our business operations on the environment, including being carbon neutral by 2026.

For us, sustainability is not only about meeting targets and reducing emissions, but about changing lives and communities for the better.

Our investment will make warmth more affordable and help reduce fuel poverty, but won't mean reduced service or lower investment elsewhere. That's what a 'just transition' to net zero means for our communities.

This strategy is about more than initiatives and targets. It will also require behaviour change to ensure we meet our sustainability objectives.

Our aim in this framework is to define our initial actions, integrate our activities around sustainability and build a platform for our journey to net zero.

► **'Just transition'**
means not expecting
tenants to pay the price
of going green through
reduced services or
lower investment
elsewhere



► **Make warmth
more affordable
and help reduce
fuel poverty**

Existing homes

Our homes produce around 200,000 tonnes of carbon dioxide a year. Reducing those emissions to net zero by 2042 – three years earlier than the Scottish Government's target – is the key objective of this framework.

We'll do this by improving the fabric of our homes, prioritising energy efficiency through high levels of insulation and controlling the indoor environment.

The condition of our stock varies across the Group, depending on when properties were built, when external wall insulation was installed, previous levels of investment, and which heating systems they have.

We'll have a full approach to the investment needed across our stock by the end of this year.

An Energy Performance Certificate (EPC) rates the energy efficiency of a property from A (most efficient) to G (least efficient). Our

past investment means we don't have many energy-inefficient homes, but we still need to make improvements.

We'll ensure all Lowther homes are at EPC C by the end of 2024. By the end of 2027, we want at least 60% of Wheatley properties to be at EPC B, and all our properties, unless exempt, will be at EPC B by 2031.

Heating systems

We won't reach our net-zero ambitions through fabric-first investment work alone.

We'll address carbon emissions from our homes by:

- investing in low and zero-carbon heating systems with air-source, ground source, and solar PV, but only where it helps reduce our customers' energy costs;
- ensuring best value and less waste from our district heating by requiring these networks to operate with at least 60% efficiency; and

- continuing to roll out Connected Response, the smart control system for electric storage heating which can lead to a 20% reduction in energy consumption.

We have a current target of reducing carbon emissions from our homes by 4000 tonnes a year. To reach net zero, we'll need to increase this rate of improvement. Starting next year our target will be a 6,000 reduction.

➤ **2042**
Net zero emissions from homes

➤ **20%**
Less energy used with Connected Response

➤ **6,000**
Tonnes of carbon emissions reduced from homes every year

➤ **Fabric-first investment and zero-carbon heating**



New homes



➤ **No fossil fuel**
in new homes
from 2024

➤ **More**
renewable
heating systems
including PV

➤ **EPC B**
for new-build
homes

Our new-build homes will meet the Scottish Government's planning requirements in relation to no fossil fuel.

Part of that will be the continued use of site manufactured open and closed panel systems. We're also piloting modular construction at a site in Glasgow and other areas.

As one of the biggest builders of social housing in the UK, Wheatley is well-placed to drive innovation around enhanced design and specification standards to improve energy efficiency.

Our approach is to consistently reduce the energy demand input to a home through fabric thermal efficiency, design detail and build quality, which all make homes more affordable to heat and help us tackle fuel poverty.

All our new homes will be at least EPC B.

When designing homes, we're always conscious of the affordability and usability of heating systems for residents, including electricity generation through solar panels.

Our new-build programme will make use of brownfield sites as much as possible.

We'll support the Scottish Government's priorities around the creation of sustainable places, creating vibrant communities which help improve people's quality of life.

Our business operations

Our new operating model, with more online working and less work-related travel, has already helped reduce emissions.

We aim to be carbon neutral across our corporate estate by 2026.

That will involve switching to a carbon-neutral capable fleet of vehicles and moving to 'green' electricity in our sites.

We'll also:

- improve insulation and ventilation in our buildings, reduce energy consumption and generate electricity locally;
- require our suppliers to provide data on their products' carbon emissions and support them to reduce those emissions; and
- develop a sustainability performance measurement framework and report on its progress every year.

Our staff and customers are our biggest asset on our journey to net zero and we'll support them with learning and good practice to embed sustainability in all we do.

Our supporting contributors

The quality of the environment in our communities is high, helped by regular audits through our partnership with Keep Scotland Beautiful.

Promoting biodiversity, reducing unnecessary grass clearance and stopping the use of pesticides or insecticides is key to our aim of sustainable land management. Where possible, we'll avoid sending waste to landfill.

We'll also encourage customers to reduce household waste and recycle more, and train housing staff to help customers make the best use of their heating systems and advise them on minimising fuel costs.

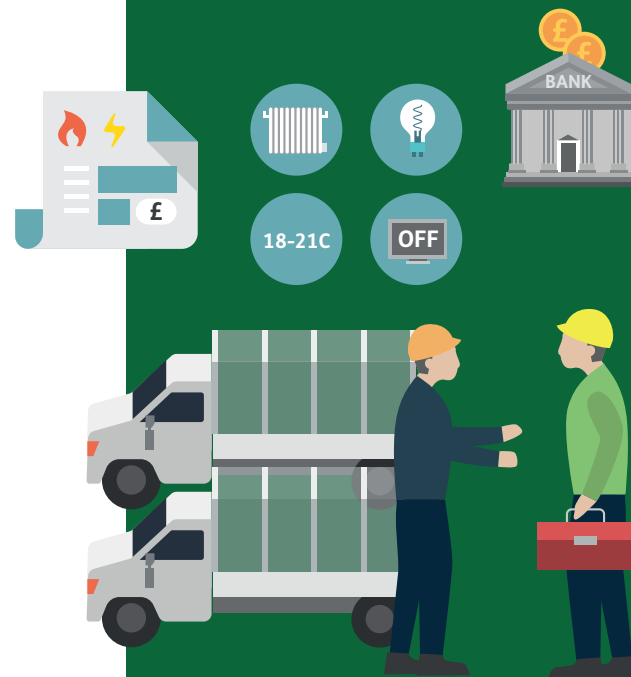
Our suppliers

Sustainability will become as important in our procurement processes as value for money, statutory compliance and risk management.

Our priorities will include reducing carbon emissions in our energy supplies, minimising waste and using more recycled products.

We'll support our repairs providers City Building (Glasgow) to develop a sustainability action plan, including developing the skills for fabric-first investment and zero-carbon heating systems.

Addressing the climate crisis will become an aim of Wheatley Foundation in 2023 too.



➤ **Carbon neutral by 2026**

➤ **Promote biodiversity, reduce waste, recycle more**

➤ **Change lives and communities for the better**

Conclusion



Detailed measurement, external validation and reporting will be key to delivering on this framework. Supporting learning and development, engaging stakeholders, customers and staff and sharing good practice will help us make the change we seek, but on their own they will not be enough.

For real success, we need behaviour to change in society.

The impact of the cost-of-living crisis, the economic realities of zero-carbon heating, incentivising 'green' options, making funding available, supporting research and development, all need to be addressed to achieve our goals.