



Environment and Climate Strategy

2022-2026



Our Roadmap to Net Zero: Our Ambition

Our strategy sets out the steps we'll take to reduce our emissions from our own operations to net zero by 2030 and become net zero across Scope 1,2 and 3 emissions by 2050.

To make this possible we have adopted 'science-based targets' to reduce our emissions in line with the Paris Agreement; the first legally binding global commitment to limit global warming.

We also recognise that we have a role to play in the achievement of the Sustainable Development Goals (SDG), a blueprint for the world to create a better and more sustainable future for all. Our roadmap to net zero supports the SDG, making a positive impact to the communities in which we operate.

In order to transition our business to net zero, we'll need to transform our own operations and drive systemic change beyond our own business. We can't deliver our climate ambitions in isolation, so we're working closely with our supply chain partners encouraging them to reduce their emissions by adopting science-based targets.

We also want to make sure we use our reach to influence wider societal change by encouraging our 100,000 customers and our 1,500 colleagues to reduce their carbon footprint.

Protecting biodiversity and regenerating nature is critical to tackling climate change. Ultimately there is a need to tackle the twin crises of climate change and biodiversity loss as part of a holistic approach to reducing our impact on the environment.

The connection between climate change and the value that nature provides to society and businesses is increasingly recognised. The UN Convention on Biological Diversity (CBD) has set out a framework to halt biodiversity loss, setting targets, as the Paris Agreement does on climate change, for nations to protect and restore nature.

During the course of this strategy we'll develop our biodiversity action plan, setting out the actions Abri will take in order to protect and enhance biodiversity. This will include recognising the impacts associated with our direct land use, but also the dependencies on biodiversity running through our supply chain.

Finally, We want to make sure the transition to a net zero economy provides a positive step change for our communities. We firmly believe that the 'challenge of a generation' must now be turned into the 'opportunity of a generation', offering economic opportunity to previously disadvantaged communities as part of a 'levelling up' agenda.

Rose Bean – Executive Director



Context

Understanding Abri's environmental performance is at the heart of our approach to climate action. We've calculated the amount of Greenhouse Gas Emissions (GHG) we produce, both directly and indirectly, to give us a thorough understanding of our Carbon Footprint. This is known as Carbon Accounting.

GHG emissions are categorised into three groups, or "scopes", by international reporting standards. Scope 1 and 2 covers Abri's own operations, whilst Scope 3 covers our housing and supply chain.

The following are included within each scope:

- **Scope 1 emissions:** direct emissions from resources that Abri directly controls (such as fuel used in company vehicles and natural gas in our buildings).
- **Scope 2 emissions:** indirect emissions from energy bought for use in Abri's operations (such as electricity in our offices).
- **Scope 3 emissions:** indirect emissions outside of the operational control of Abri. This includes our customers' energy use in their homes, purchased goods and services, business travel and employee commuting.

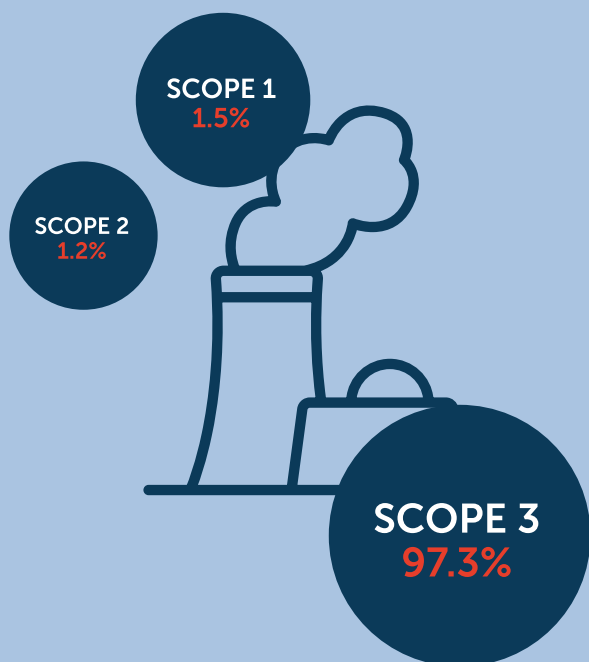
We've adopted the 'corporate standard' in line with the Greenhouse Gas Protocol to establish our carbon footprint, as well as undertaking a thorough screening process of all material scope 3 emissions. This has helped us to identify our emission 'hot spots', based on the most carbon intensive categories of spend.

During 2022 we'll enhance our baseline, incorporating current exclusions as we mature our approach to carbon accounting, and making sure that our emissions data is verified by an independent third party on an annual basis in line with best practice.





Our carbon footprint 2020/21 by Scope:



We achieved a 30 per cent reduction in our Scope 1 and 2 emissions during 2020/21 as a result of reduced energy use across our corporate buildings, and reduced travel across our fleet.

The pandemic and restrictions on our operations have been a significant factor in our reductions to date, however in line with our net zero roadmap we have set out a clear pathway for achieving net zero emissions across our operations, supply chain and homes.

Scope 3 emissions by category:



Our Scope 3 emissions account for 97.5 per cent of our carbon footprint.

Decarbonising our homes and working with our supply chain partners to reduce emissions across our value chain will have the greatest impact in reducing our carbon footprint. We can't achieve our climate goals in isolation though, and collaborating will be a key strand of our strategy to drive meaningful change.

Reaching Net Zero: A Fair and Just Transition



As we transition to a net zero economy it's crucial that the costs and benefits associated with climate action are distributed fairly across society. The Paris agreement highlighted the interaction between climate change and inequality, recognising that greenhouse gas emission reductions must be achieved on the basis of equity and efforts to eradicate poverty.

We recognise that both Government policy and the actions taken by businesses affect the societal outcomes of climate change. We'll respond by measuring the impact of climate policy on our communities, in particular how the green skills agenda, energy and transport policies can create a positive step change for our communities.

Tackling the inequality that fuel poverty creates is a key priority for Abri. We'll make sure that the measures we undertake to our homes takes into account both the UK energy policy framework, and the impact that new and emerging technologies have on fuel costs.

Decarbonising homes in the UK presents huge opportunities for jobs, growth and levelling up, and we want to make sure that we drive social value out of the decarbonisation agenda. We'll use our own investment, and our partnerships, to drive green growth and employment opportunities within local economies.

We will:

- Identify ways to bring economic benefits to currently disadvantaged communities as part of an emerging green economy.
- Create new pathways into employment, aligning our support and training offer to the green skills revolution required to support a sustainable society.
- Invest £55.7m to bring all of our homes up to EPC Band C by 2028, whilst phasing out the most inefficient heating systems within our homes.
- Develop partnership opportunities that enable our communities to access green and low cost transport options.



Business and Systems Transformation



We know that in order to achieve our climate goals we'll need to transform our business; we're incorporating a top-down and bottom-up integration of climate strategy into our core business.

Every function within our business will have a stake in achieving our net zero goals. That's why we've implemented our carbon academy and are committed to rolling out carbon literacy to every colleague, equipping our teams with an understanding of the wider implications of climate change as well as the role specific actions that will be needed to achieve our climate goals.

We want to prepare current and future business leaders with the skills required to ensure a sustainable future. Climate change will demand that businesses develop and adopt new ways of thinking, new capabilities and skills, and new ways of engaging with others. We'll make sure that our learning and development offer is fit for the future and reflects the capabilities required to address climate change.

Climate impacts will also be central to our decision making, which is why Abri is adopting Internal Carbon pricing, the concept of applying a cost to each tonne of carbon emitted, making sure that carbon considerations are more central to business operations, understanding, decision making, and assessment of climate risks.

The policy environment, technology and costs associated with transitioning to net zero continues to evolve. On that basis, our Board has mandated that we continue to explore all opportunities to accelerate and de-risk our transition to net zero and to look for new ways to bring associated opportunities and benefits.

We know that profound changes happen through collaboration, and that achieving our climate goals and addressing big societal challenges as we transition will require cross industry support.

That's why we're a founding member of the Greener Futures Partnership, a unique collaboration of five of England's largest not-for-profit social housing providers: Abri, Anchor Group, Home Group, the Hyde Group and Sanctuary Group, which share the core objective of creating sustainable tenancies, homes, and communities.

We believe that the Greener Futures Partnership is uniquely placed to develop scalable solutions to accelerate the transition to net zero, whilst enhancing local economies, and supporting the levelling up agenda.

We will:

- Work with key strategic partners to gain scale, leverage, expertise and access to the technology, funding, and stakeholders we need, using the Greener Futures Partnership to accelerate our progress.
- Seek out new ways to fund the decarbonisation of our homes, prioritising regional and national partnerships to drive value from the growing green economy.
- Seek out opportunities to diversify our income stream, undertaking a research project during 2022 to identify emerging opportunities.
- Embed climate goals within our functional strategies and delivery plans, interlinking climate action with performance targets.
- Develop our L&D offer, setting out mandatory requirements for all colleagues, and bespoke leadership requirements as we equip our business leaders with the skills required to ensure a sustainable future.
- Ensure that our environmental credentials form part of our employee value proposition.
- Implement internal carbon pricing, making sure carbon considerations are central to business decisions.
- In line with our values, remain open to innovative solutions which support our net zero transition, encouraging our teams to bring forwards R&D opportunities.





Transparency, Risk Management and Governance



We're seeing the negative implications of climate change now and these will continue to manifest over time. It's therefore important that we understand and develop mitigations for both transitional risks (risks that arise from the transition to a low carbon economy such as policy shifts) and physical risks (risks that arise from the physical impacts of a changing climate such as increased extreme weather events).

The latest report from International Panel on Climate Change (IPCC 2022) provides a stark reminder of the consequences the world is already experiencing as a result of global warming.

Whilst climate change affects all economic sectors, the level of exposure and the impact of climate-related risks differ by sector, industry, geography, and organisation. The financial impact of climate-related issues is therefore not always clear or direct.

For this reason, the UK Government has set us on a path to a mandatory sustainability disclosure regime, which will bring greater transparency to climate risks whilst ensuring that sustainability is a key component of investment decisions.

Abri is an early adopter of the Sustainability Reporting Standard for Social Housing, having published our first Environment, Social and Governance (ESG) report during 2021. We also support the aims of the Task Force on Climate-Related Financial Disclosures (TCFD) which has developed a set of recommendations which support organisations to manage climate risks and opportunities.

We'll use the TCFD framework to ready ourselves for the Government's mandatory sustainability disclosure regime, reporting on our climate-related financial impacts in a consistent and comparable way to improve transparency for investors.

Climate change is a challenging and complex issue with policy uncertainties across broad time scales. Aligning to the TCFD recommendations provides further assurance regarding the assessment of climate related risks and supports effective climate governance.

During 2021 Abri adopted the principles of the World Economic Forum (WEF) Climate Governance Initiative which developed a set of principles for boards of directors, with a view to supporting non-executive directors (NEDs) to gain climate awareness and embed climate considerations into board decision-making.

As a result, we have delivered a comprehensive climate change programme for our Board and our Executive Directors, making sure that we have sufficient awareness and understanding of the ways in which climate change may affect our business and our communities.

We will:

- Implement the recommendations of the Task Force on Climate-Related Financial Disclosures following the completion of a TCFD readiness assessment.
- Conduct climate scenario analysis, quantifying the risks associated with different future outcomes, reflecting the complex nature of climate change.
- Identify mitigation and adaption requirements in line with a range of future outcomes, recognising that business impacts are subject to the geographic location of value chains, an organisations assets, and operations.
- Review current land holdings and future developments to better understand the areas and locations where flooding, pollution, nutrient neutrality, water shortages, adverse air quality and overheating pose the greatest risk.
- Develop our approach to the implementation of 'nature-based solutions', which support communities against flooding, pollution and overheating.
- Review third party accreditations most relevant to our business.

Achieving Net Zero Emissions: Our Net Zero Pathways



The Climate Change Committee have established net zero pathways which set out the reductions required across each sector to transition the UK to net zero emissions by 2050.

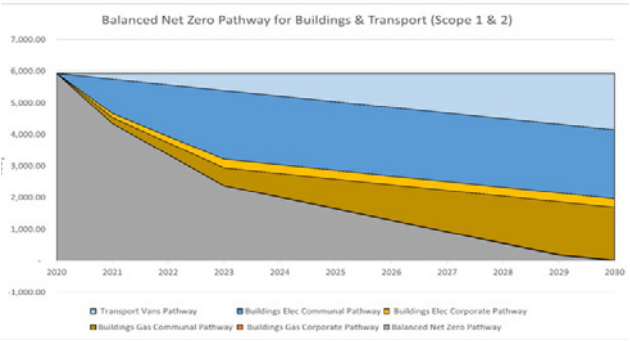
Where possible we have aligned Abri’s pathways with these, effectively setting out our blueprint for reaching net zero emissions by adopting ‘science-based targets’.

Our ambition is to achieve net zero emissions in our operations by 2030, and net zero emissions across our supply chain and homes by 2050.

Decarbonising our Operations: We will achieve net zero emissions across our operations by 2030

In order to do this, we’ll focus on reducing our consumption of fossil fuels by decarbonising the activities which are within our control. This includes our offices, depots, communal areas, and transport in vans.

Our net zero pathway is set out below and demonstrates the annual emission reductions we’ll make in order to transition to net zero by 2030 on our operations:



Our residual emissions over the next 10 years are indicated by the grey section (Balanced Net Zero Pathway) of the chart; with the incremental year on year reductions from buildings and fleet shown above the pathway. Buildings include corporate offices, depots, and communal areas of our existing dwellings.



Our Offices, Depots, Communal Areas of our Dwellings (Corporate Buildings)

Our goal is to decarbonise our offices and depots by 2030, reduce energy demand, maximise the use of renewables and transition to 100 per cent renewable electricity by 2030.

Within our communal areas, we'll maximise the use of renewables and transition to 100 per cent renewable electricity by 2030. By 2050 we'll phase out fossil fuel consumption entirely, using high quality offsets and green tariffs to reduce residual emissions in the meantime.

We will:

- Review and improve building fabric in order to reduce energy demand.
- Review the need for heating in communal areas: as thermal efficiency is improved; heating may not be required in unoccupied areas.
- Optimise building management systems and controls for efficient operation.
- Transition to low carbon alternative heating systems.
- Quantify the impact of hybrid working on our corporate portfolio, rationalising where appropriate.
- Utilise carbon offsetting for any residual emissions in hard to treat buildings using high quality offsets.
- Procure 100 per cent renewable electricity.
- Maximise the use of onsite renewables across our corporate estate.

Transport

Our fleet consists of around 400 vans which deliver essential maintenance services for our 100,000 customers. Our goal is to transition to a full electric (EV) fleet by 2030, with EV pilots commencing from 2022.

We've made high level assumptions regarding the impact of employees commuting and working from home on our carbon footprint.

However, in the longer term we'll extend our carbon accounting to take this into account, ultimately, working towards reducing emissions from business travel, commuting and homeworking.

We will:

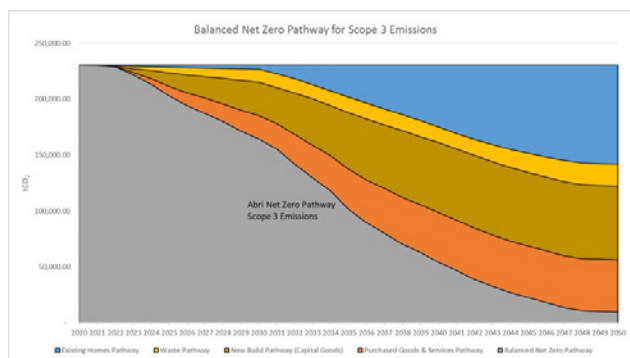
- Develop our electric vehicle (EV) strategy during 2022.
- Enable EV charging at all of our corporate buildings by 2023.
- Review our existing land holdings and garage sites, identifying opportunities to maximise EV charging points across our geography.
- Seek improvements to the fuel efficiency and emissions of the current fleet.
- Consider the role of incentive schemes in order to support colleagues to switch to electric vehicles.
- Account for the impact of our colleagues commuting and home working on our carbon emissions.

Decarbonising our Supply Chain and Homes

The majority of Abri's carbon footprint is created through our supply chains and our existing homes.

Purchased goods and services, embodied carbon associated with our new build programme, and waste accounts for 60.5 per cent of our footprint, whilst the emissions associated with heating and powering our existing homes accounts for 39.5 per cent of our footprint.

Our goal is to achieve net zero by 2050 across our supply chain and existing homes. Our net zero pathway is set out below demonstrating the annual emission reductions Abri will make:



Our residual emissions are indicated by the grey section (Balanced Net Zero Pathway) of the chart; with the incremental year-on-year reductions from existing buildings, purchased goods and services, waste and embodied carbon shown above the pathway.

Our Supply Chain

Our goal is to reach net zero emissions across our supply chain by 2050. We'll partner with suppliers to reduce the impact of our supply chain and prioritise the use of lower carbon raw materials.

For us, and other companies to make real progress in terms of reducing emissions, we need every business within our supply chain to understand and communicate their carbon footprint.

There are a number of challenges associated with supply chain decarbonisation, including a lack of high-quality data sharing, knowledge gaps among suppliers, and scope 3 estimates relying heavily on averages.

Abri supports the World Economic Forum (WEF) initiative for decarbonising supply chains, which seeks to address the barriers associated with supply chain decarbonisation.

We will:

- Continue to develop our data on baseline emissions and share this information with our suppliers, enhancing transparency.
- Work with our suppliers to redesign products for sustainability and make sure there's a sustainable sourcing strategy in place.
- Integrate emission metrics in our procurement standards and track performance.
- Actively work with our suppliers to address their emissions.
- Engage in sector initiatives for best practice.
- Where possible prioritise partnerships with new suppliers who already have science-based targets in place.



Embodied Carbon, Circular Economy Principles & Waste



We're committed to actively working with our supply chain partners to reduce resource overconsumption and embodied carbon.

Embodied carbon is a significant source of our emissions, particularly in relation to new build construction and retrofit projects on existing homes. We'll therefore measure and seek to reduce embodied carbon on all new developments and refurbishment projects.

Working with our supply chain partners, we'll seek to embed circular economy principles throughout our supply chain. A circular economy is a system that is restorative by design, where possible eliminating waste by encouraging reuse, repurposing, and recycling.

Waste materials represent 10 per cent of Abri's emissions, mainly from construction sites and the maintenance and refurbishment of existing homes. Most waste produced on site is through over ordering, damage by mis-handling or inadequate storage, and excessive packaging of construction materials. Improving waste management has the potential to reduce our environmental impact.

We will

- Deliver 25 per cent of our new build programme using Modern Methods of Construction (MMC).
 - Measure the embodied carbon of new developments and refurbishments and seek to reduce our impact by utilising low embodied carbon alternatives.
 - Embed circular economy principles within our supply chain and procurement strategy.
 - Create a waste management strategy in line with best practice, addressing waste throughout our processes.
 - Reduce the amount of waste to landfill from all office activities and reduce plastic waste.
 - Benchmark our water usage and implement reduction targets during 2022
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Decarbonising our Homes

Our goal is to achieve net zero emissions from existing homes by 2050 at the latest. We'll make sure that all of our homes reach EPC Band C by 2028 where possible, in order to reduce fuel poverty.

Our approach to decarbonising our homes is set out within our Asset Management Strategy. We'll take a 'fabric first' approach over the next decade and where appropriate install low carbon heating systems. From 2030 onwards we'll prioritise the decarbonisation of heat, scaling up our delivery as supply chains mature and renewable technologies advance.

From 2025, all new homes will be required to be built to the Future Homes and Buildings Standard, making sure that new homes produce 75-80 per cent less emissions than homes delivered under current regulations.

We want to make sure that our new build programmes do not add to our retrofit requirements in the longer term, which is why we will adopt the Future Homes and Building Standard where possible on new build schemes ahead of 2025.

We will

- Invest £55.7m bringing our homes up to EPC Band by 2028, removing inefficient heating systems and piloting retrofit solutions which will inform our longer term net zero delivery plans.
 - Beyond 2028, work with strategic partners to develop retrofit solutions for a range of archetypes whilst maximising procurement and delivery efficiencies, using the Greener Futures Partnership to accelerate our progress.
 - Adopt the Future Homes and Buildings Standard where possible on new build sites ahead of the 2025 implementation.
 - Maximise external funding streams to support our retrofit programmes.
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Customer Engagement



Customer engagement will be key to the delivery of our climate goals and retrofit programmes. Our ambition is to engage our customers not only on the implications that climate change will have on their home, but also the wider benefits associated with sustainable living, using our influence to drive further carbon reductions.

During 2021, we undertook a national survey of 2,000 UK adults to gauge consumer attitudes, behaviours and understanding of climate change. The findings of this study have enabled Abri to develop Living Well, a national and customer-facing campaign which will make positive climate action accessible to everyone and promote the wider benefits of sustainable living, on a budget.

In addition, we've teamed up with MyBalance to create a carbon footprint app which will allow our customers to calculate their carbon footprint and receive tips and advice on how to reduce it. The app was successfully rolled out to our colleagues during 2021.

We will

- Launch our Living Well campaign early 2022 and publish our research findings.
- Roll out our carbon app to our customers, as we continue to promote awareness regarding the impact that behaviours have on our carbon footprint.
- Appoint a Youth Panel, recognising the crucial role young people play in our journey to net zero.
- Utilise our strategic partnerships to develop sector standards and initiatives relative to customer engagement, including the Greener Futures Partnership.
- Partner in order to develop social value metrics relative to our retrofit programmes.



Biodiversity and Nature



We recognise the need to understand our impact on nature and align reporting and actions with the nature-positive agenda, as well as understanding the risks associated with nature based dependencies.

Implemented during 2020, the Task Force on Nature-Related Financial Disclosures (TNFD) will develop a framework for businesses to report and act on nature related risks, and new standards for this are imminent.

In order to support the development of our environmental aspirations and approach to assessing nature based dependencies, during 2021 Abri undertook an extensive exercise to establish best practice in relation to biodiversity, water resources, and pollution.

Building on our research to date, we'll develop a company-wide Biodiversity Action Plan, setting out the actions Abri will take. We will maximise 'nature-based solutions' to protect and enhance biodiversity through our own land use, but also recognising the dependencies on biodiversity throughout our supply chain. This will support us to develop our understanding of biodiversity risks and opportunities.

The Environment Act 2021 makes provision for the delivery of biodiversity gain as a condition of planning permission in England on new developments. We'll proactively prepare for this new legislation by building Biodiversity Net Gain (BNG) assessments into all new developments ahead of full implementation of this legislation during 2023.

We will

- Sign up to both the Taskforce on Nature-related Financial Disclosures (TNFD) and Science Based Targets for Nature (SBTN) once established.
- Develop our approach to supply chain biodiversity assessments, focussing on the sourcing and production of our most-used construction materials
- Use our biodiversity assessments and action plan to inform improvements to our procurement strategy.
- Utilise our biodiversity baseline to inform the design of our new build projects, providing input into the construction materials used.
- Review our existing land holdings, to explore where habitat creation and enhancement is possible.
- Maximise the opportunity to build in community engagement initiatives, helping to raise awareness on biodiversity and how communities can help protect or enhance what's on their doorstep.



Summary

Our strategy sets out the steps we'll take to reduce our emissions from our own operations to net zero by 2030 and become net zero across Scope 1,2 and 3 emissions by 2050.

Recognising the need to tackle the twin crises of climate change and biodiversity loss as part of a holistic approach to reducing our impact on the environment, we've set out the actions we'll also take in order to protect and enhance biodiversity.

The implications of climate change are wide ranging and complex, we must continue to take an 'outside in' perspective, asking where a climate constrained world is heading and what it means for our business and the communities we serve.

Our strategy will continue to evolve in line with the science, policy landscape, and market advancement.

Glossary of Terms

Biodiversity The variety of plant or animal life in a particular habitat or ecosystem.

Carbon offsetting is the action or process of compensating for carbon dioxide emissions arising from industrial or other human activity, by participating in schemes designed to make equivalent reductions of carbon dioxide in the atmosphere. They are not alternatives to cutting our carbon emissions but used to remove residual emissions to achieve net zero.

Climate change Climate change is the long-term shift in average weather patterns across the world. Since the mid-1800s, humans have contributed to the release of carbon dioxide and other greenhouse gases into the air. This causes global temperatures to rise, resulting in long-term changes to the climate.

Decarbonisation is the term used for removal or reduction of carbon dioxide (CO₂) output into the atmosphere.

Energy performance certificate (EPC) A rating system to score energy efficiency and energy affordability of a home or building. The highest EPC level is A and lowest G.

Greenhouse gases (GHGs) is a gas that absorbs and emits radiant energy causing the greenhouse effect. The most common GHG is carbon dioxide but there are seven in total which all have different levels of efficiency in absorbing heat.

Net zero carbon (NZC) sometimes known simply as net zero, a term which refers to the balance between the amount of carbon emissions released and the amount removed from the atmosphere.

The Paris Agreement is a legally binding international treaty on climate change. It was adopted by 196 Parties at COP 21 in Paris, on 12 December 2015. Its goal is to limit global warming to well below 2, preferably to 1.5 degrees Celsius, compared to pre-industrial levels.

Residual Emissions are any greenhouse gas emissions which remain after an organisation has implemented all technically and economically feasible opportunities to reduce emissions in all scopes and from all sources.

Science based targets A carbon emissions target is defined as science-based if it is in line with the scale of reductions required to keep global temperature increase below 2°C above pre-industrial temperatures.

Scope 1, 2 and 3 emissions GHG emissions are categorised into three groups, or “scopes”, by international reporting standards such as the GHG Protocol. Scope 1 and 2 cover our own operations, whilst Scope 3 covers our housing and supply chain.

Scope 1 emissions: direct emissions from resources that Abri directly controls (such as fuel used in company vehicles and natural gas in our buildings).

Scope 2 emissions: indirect emissions from energy bought for use in Abri’s operations (such as electricity in our offices).

Scope 3 emissions: indirect emissions outside of the operational control of Abri. This includes our customers’ energy use in their homes, purchased goods and services, business travel and employee commuting.

Sustainability defined as meeting the needs of the present without compromising the ability of future generations to meet theirs. It has three main pillars: economic, environmental, and social. These three pillars are informally referred to as people, planet, and profits.

Sustainable Development Goals The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (SDGs).

Tonnes of carbon dioxide equivalent (tCO₂e) Carbon dioxide equivalent is a measure used to compare the emissions from various greenhouse gases based upon their global warming potential.

