



Sustainability Strategy 2020-2025

1. Introduction

- 1.1. The aim of this strategy is to outline Catalyst's approach to sustainability over the next five years. It sets out our strategic objectives and the key milestones which need to be achieved to help us to become a more sustainable business.

2. The Scale of the Challenge

- 2.1. In 2019, the UK Government declared a climate and environmental emergency. This followed concerns about the increasing rate of man-made climate change. The UK government has set legally binding targets to meet net zero carbon by 2050, superseding its previous commitment to reducing carbon emissions by 80% by 2050 from 1990 levels. Recent research also suggests that achieving net zero carbon within a shorter timescale may also be necessary.
- 2.2. This is a challenge for housing providers such as Catalyst, who own and manage large numbers of housing assets. Providers have already seen standards for new build housing steadily increase, and it is expected that net zero carbon homes will become a requirement over the next decade. More recently, the Government has proposed phasing out gas boilers and achieving world leading levels of energy efficiency in new builds from 2025. For existing buildings the position is similar: the Government's Clean Growth Strategy sets out an ambition to increase the energy performance of all homes to an EPC rating of 'C' by 2030, with the potential for standards to rise further in the future.
- 2.3. Irrespective of Government targets, this is a task that we are ready to take on. Providing safe and sustainable homes is one of our strategic priorities, and we want to play our part in safeguarding a sustainable future for our customers and communities. The size of the task should not be underestimated however. Large-scale retrofit solutions will need to be implemented at volumes which are unprecedented in the UK and we will need to carefully cost and plan for any improvements. It is likely that some solutions to the challenges we face may not even have been invented yet.
- 2.4. For Catalyst, it is also a time of change. In 2019 we merged with Aldwyck Housing Group and are working hard on integrating our systems and operations, and developing new working practices. This gives us an exciting opportunity to review our approach to sustainability and set out our roadmap for the short term.
- 2.5. Against a backdrop of competing pressures for capital, this Strategy focuses on consolidating our data, developing our internal expertise and trialling solutions which will help us address the scale of the challenge in the future. At the end of this period, we will enter a new phase of delivery, ready to address the challenge ahead.

- **Integration** – Developing a combined approach to sustainability and environmental management across the Group;
- **Data** – Improving the information we hold about our assets to better inform a future retrofit programme;
- **Standards** – Creating sustainability standards for our new homes and existing assets which supports our ambitions to become zero carbon by 2050; and
- **Developing Expertise** – Building our in-house skills and capability, and gaining experience of new technologies.

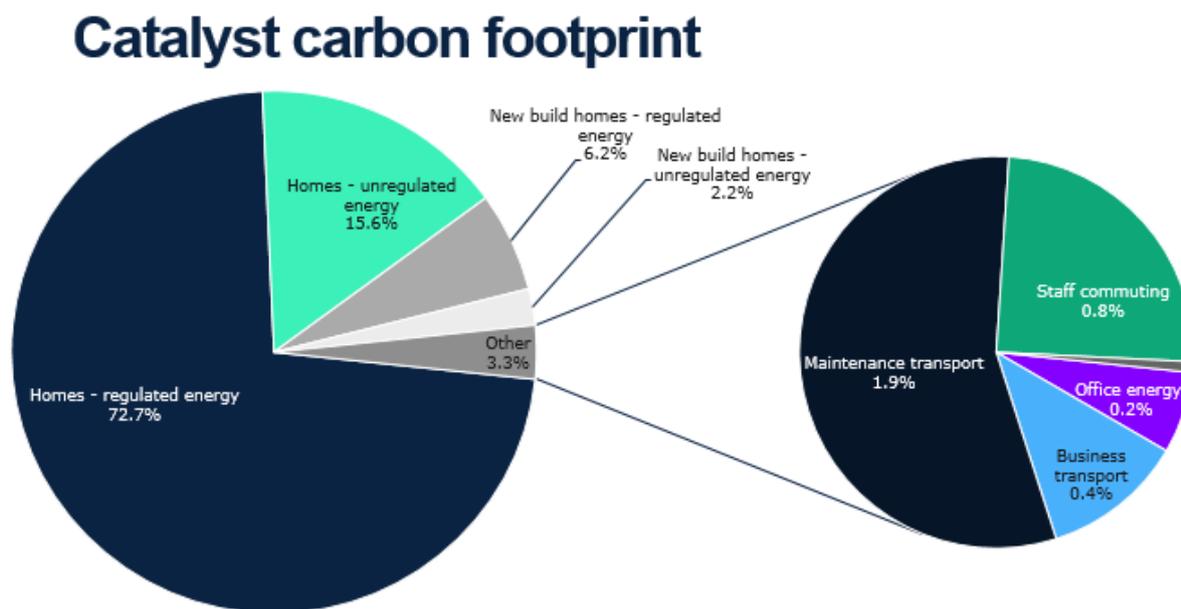
3. About Catalyst

- 3.1. Catalyst is an actively developing G15 housing association which owns 33,000 homes across London and the South East. We are a registered provider of social housing and an exempt charity.
- 3.2. Our purpose is to deliver **homes people love**. We want to create homes that are warm, comfortable and affordable, located in communities which support residents to live happy, healthy and sustainable lifestyles.
- 3.3. Our strategic priorities are to:
 - Build more quality homes
 - Get close to our customers
 - Be safe and sustainable
 - Revolutionise our data and technology
 - Invest in our people and define our culture

4. Our Environmental Performance

- 4.1. Figure 1 shows Catalyst’s carbon footprint. Our existing homes create the most carbon, and have the biggest environmental impact, followed by our new build developments and our business operations. It is for this reason that this Strategy retains a strong focus on our existing homes.

Figure 1



- 4.2. The intention of this Strategy is to move Catalyst to become zero carbon by 2050. This work is supported by a Zero Carbon Road Map developed in 2019 in partnership with Bioregional.

5. Our Strategy

- 5.1. The objectives for this strategy are focused around our homes, our communities and our business. They are:

- **Our Homes** - To create sustainable, resource-efficient, future-proofed homes that are warm and affordable for our customers;
- **Our Communities** - To build great places and strong communities where residents can lead happy, healthy and sustainable lives; and
- **Our Business** - To become a more sustainable and resource efficient business which minimises the impact of our operations on the environment.

5.2. Our objectives are shown mapped against the milestones we aim to achieve, and our Group-level Strategic objectives in **Appendix 1**. This also shows the relevant dates for implementing these elements of the Strategy.

6. Our Homes – Existing

6.1. The homes that we own and build have the biggest impact on the environment. Catalyst can help reduce the environmental impact of our existing homes by installing renewable technologies, improving thermal efficiency and installing carbon reduction measures. This section sets out the work that we will be undertaking over the next five years in order to develop our retrofit programme which will be implemented in the next phase of our Strategy (2025-50).

6.2. Enhancing our asset data

6.2.1. We need to improve the information we hold about our assets to better inform our future retrofit programmes, and to support the development of low carbon and energy efficiency solutions for each housing archetype. This will help us more accurately cost our retrofit programme and will inform a wider roll-out post-2025.

6.2.2. We are currently migrating our property data from legacy parts of our business to a single system (QL) as part of our Spotlight programme. Linked to this programme, we will be beginning a programme of asset data verification and improvement to verify and, where possible, enhance all sustainability-related data on our systems.

6.2.3. Where we identify gaps we will implement data collection processes to resolve these, working with key stakeholders both internally and externally. For 2020/21 we have commissioned Savills to carry out a comprehensive stock condition survey to ensure that our data is up-to-date and complete.

6.3. Create a revised asset appraisal methodology

6.3.1. We will revise our asset appraisal methodology to include measures to help us appraise our properties based on moving our business closer to zero carbon. This will use sustainability data to help inform decisions about our properties and what we do with them, helping us to ensure that we deliver value for money in any retrofit or replacement programmes.

6.4. Understanding our key property archetypes and developing retrofit solutions

6.4.1. Through enhancements to our asset data we will be able to develop a more sophisticated understanding of the property archetypes we own across our portfolio. This will help us target retrofit trials more accurately.

6.4.2. We will develop retrofit solutions designed to reduce carbon and increase energy efficiency for each property archetype, which will be piloted to assess the cost and suitability of each solution.

6.5. Running pilot projects and developing a retrofit programme

6.5.1. We will start to develop and shape what our retrofit programme will look like in the longer term, beginning with scoping and delivering targeted pilots to test the retrofit solutions developed for each of our property archetypes.

6.5.2. Pilot projects will test suitability of retrofit solutions, predicted cost and practicality of wider roll out and will be properly measured and evaluated so that we can maximise learning from our investment.

6.5.3. We will then develop a costed retrofit strategy to support scaling up of the programme to the volumes necessary to meet our 2050 aspiration to become zero carbon.

6.6. Trialling new low carbon, renewable and innovative technologies

6.6.1. We will trial low carbon, renewable and innovative technologies, for both existing homes and new developments.

6.6.2. We will select technologies informed by publicly available data and will build on the experience of others, selecting practical solutions capable of being rolled out at scale which meet our customers' needs.

6.6.3. We will also begin work on putting in place the infrastructure required to support the use of new technologies in our homes, including in our repairs and maintenance and customer services teams.

7. Our Homes – New

7.1. For our new homes, we want to ensure that we are building properties that are fit for the future and meet national climate targets. This means building low carbon, resource-efficient new homes which will not require substantial investment to bring them up to higher sustainability standards in the future.

For our new build properties we will:

7.2. Define our sustainability standards for new homes

7.2.1. We will establish a Design Standards and Innovation Group to define our sustainability standards for new homes and move us closer to net zero carbon. We will also ensure that appropriate standards are in place for biodiversity, materials, water and waste.

7.2.2. The standards will be rolled out across our new developments from 2021, ensuring that homes are fit for the future.

7.3. Monitor the sustainability performance of new build properties

7.3.1. We will ensure that we maximise learning from the technology we install in our properties to ensure that this meets anticipated performance levels. We will monitor our new developments to better understand how our properties are performing, so

that improvements can be made to future developments, creating a cycle of continuous improvement.

7.4. A Zero-Carbon Development

- 7.4.1. During the period covered by this Strategy, we will deliver at least one exemplar zero carbon development in order to test our approach to low carbon development in a real life setting. This will achieve a minimum 95% carbon reduction saving above current building regulations with minimal offsetting as required to provide a benchmark for all future Catalyst developments.
- 7.4.2. Through investment in the zero carbon pilot, we will also start to test the readiness of our development partners and supply chain to scale up to the challenge of delivering zero carbon schemes in the future.

8. Our Communities

- 8.1. We don't just build homes, we build communities. We want to support our residents to deliver their vision for the areas where they live, using our land, assets and expertise.

For our communities we will provide support through the following key areas of work:

8.2. Supporting our customers to reduce their environmental impact

- 8.2.1. We want to support our customers to reduce their environmental impact and live more sustainably. At the same time, we recognise our primary role as a landlord, so we will consult with our customers to better understand their needs and aspirations and will work in partnership to deliver these. We will do this through multiple channels, involving our customers at all stages of our sustainability journey.
- 8.2.2. After consultation, we will develop a programme of environmental and community projects which will support customers in achieving their aspirations. These will be monitored and evaluated to ensure that projects are successful and deliver proposed outcomes.

8.3. Reduce fuel poverty

- 8.3.1. We will continue to provide advice services and support to our customers experiencing fuel poverty.
- 8.3.2. We will identify and develop partnerships with third parties which will help to reduce fuel poverty for our customers, such as supplier switching services and reduced energy tariffs. We will also seek solutions for the removal of punitive high cost tariffs and metering arrangements, such as pay-as-you-go meters, where we can.
- 8.3.3. We will carry out a review of our district heating systems and put in place any required improvements to reduce the impact of fuel costs on residents.

8.4. Maximise our land and green spaces

- 8.4.1. We will develop a biodiversity and green space action plan which sets out a strategic approach for managing our land and green spaces. This will focus on encouraging biodiversity, mitigating flood risk and enhancing the natural environment of our new developments and existing communities.

8.5. **Communicate with our customers**

8.5.1. We will increase awareness of environmental issues with our customers and provide support with the efficient management of their home. This includes providing advice and information on any new or renewable technologies installed as part of our pilot programmes or other initiatives through tailored home user guides.

9. **Our Business**

9.1. We want our business to operate in a way that is sustainable, efficient and minimises our impact on the environment. Following the merger, we will be focusing on reviewing existing arrangements and developing an integrated approach to environmental management. We will also be asking our colleagues to contribute to our sustainability objectives.

For our business we will:

9.2. **Integrate our approach to environmental management**

9.2.1. We will create a single approach to environmental management across the Group, ensuring it is aligned to ISO14001 to facilitate the adoption of the standard in the future if required. This will use the opportunity presented by the merger to refine and consolidate our way of working, starting with data integration and improvement.

9.3. **Access competitive, low-interest green finance**

9.3.1. We will seek to leverage our Strategy by accessing low-interest 'green' finance, demonstrating the impact of our environmental initiatives on our financial performance.

9.4. **Build internal skills, capacity and knowledge**

9.4.1. We recognise that we need to build our internal skills, capacity and knowledge and will begin by recruiting a new Head of Sustainability to lead on the delivery of this Strategy and ensure we achieve our sustainability targets each year.

9.4.2. We will also develop efficiency targets to generate savings to support the long-term expansion of the team.

9.5. **Develop our customer services and repairs infrastructure**

9.5.1. We will develop our customer services and repairs infrastructure to help our customers better understand the new technologies and approaches we will be using to meet our sustainability objectives. This will involve supporting colleagues to deliver the needs of our customers through learning and development.

9.6. **Reduce our transport-related carbon emissions**

9.6.1. We will develop a sustainable transport action plan and review our fleet arrangements. This will promote the use of electric vehicles and sustainable travel options, supporting a move away from fossil fuels.

9.6.2. We will promote sustainable transport options to colleagues, at our office sites and as part of our new developments.

9.7. Maximise resource efficiency and waste reduction

9.7.1. We will review our workplace resource consumption and waste production, integrating approaches across our Catalyst London and Catalyst Counties regions. This will focus on reducing our environmental impact, supporting a circular economy and delivering savings which can be reinvested in future sustainability initiatives.

9.7.2. The review will cover:

- waste – exploring options for reducing the use of materials we use and promoting re-use and recycling;
- water – reducing the amount of water used in our workplaces, through the use of water saving devices and colleague information campaigns;
- energy – reducing the amount of energy consumed in our workplaces by working smarter, switching to energy efficient technologies and ensuring that our purchasing power is utilised to buy green energy options;
- resource consumption – looking at the types of materials we purchase and use and identifying where more sustainable alternatives are available.

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

9.8. Work with colleagues in the delivery of our sustainability objectives

9.8.1. We will work to engage our colleagues in the delivery of our sustainability objectives, explaining their role in supporting the changes required.

9.8.2. We will harness the resources of the wider business by establishing a Green Champions programme, seeking motivated and passionate individuals that will assist with the required culture changes associated with our zero carbon agenda.

9.9. Publicity and promotion

9.9.1. We will publicise our commitment to sustainability and maximise the investment we are making in sustainability initiatives by ensuring that promote the work that we are doing.

10. Monitoring and evaluation

10.1. Monitoring and evaluation is important to achieving our objectives and delivering the aspirations of this Strategy.

10.2. The milestones set out in Appendix 1 will form part of a more detailed Action Plan, which will allocate key responsibilities for delivery. Progress against the Action Plan will be monitored by the Sustainability Team and reported to Executive Committee on a regular basis.

Carbon

10.3. As the focus of this Strategy is to move Catalyst closer to zero carbon, our targets will be focused on reducing carbon across our business. Our approach to carbon measurement will be aligned with Greenhouse Gas (GHG) Protocol and the Government's Streamlined Energy and Carbon Reporting (SECR) requirements. During 2020/21 we will commission an independent expert to review our approach to carbon measurement, verify our baseline position and set targets for Scope 1, 2 and 3 emissions. These will be implemented from Year 2 of the Strategy.

SHIFT Index

10.4. We will benchmark our progress externally using the Sustainable Homes Index for Tomorrow (SHIFT) index and will report our progress in an Annual Sustainability Report (to be produced from April 2021) which will be reported to the Group Board.

10.5. As part of the SHIFT index we measure the following:

- CO2 (homes)
- CO2 (resident engagement)
- CO2 (business mileage)
- CO2 (maintenance mileage)
- Water (homes)
- Water (offices)
- Waste to landfill (homes)
- Waste to landfill (offices)
- Responsible materials (maintenance)
- Responsible materials (offices)
- Adaptation to climate change (homes protected from flooding)
- Adaptation to climate change (homes protected from overheating)
- Biodiversity value

ESG Reporting

10.6. To support our aspirations to access green finance, and to meet the requirements set out by funders, we will use an Environmental, Social, and Governance (ESG) framework that will assess the impact of our sustainability and ethical practices on our financial performance.

10.7. We are working to achieve Ritterwald's pan-European Certified Sustainable Housing label which measures the positive impact of affordable housing companies. The label aligns with the market standards, the Green Bond Principles and Social Bond Principles issued by the International Capital Market Association (ICMA).

Other metrics and targets

10.8. Over the period covered by the Strategy, we aim to develop a series of more detailed targets, against which performance will be monitored. Following our merger with Aldwyck Housing Group we will first carry out a comprehensive data capture and review process to ensure that we have established an accurate baseline on which future targets will be based.

11. Governance

11.1. Executive Committee will be responsible for overseeing the delivery of the milestones set out in the Sustainability Strategy, with individual projects and initiatives being approved in line with Catalyst's Governance Framework.

11.2. Monitoring and reporting against the milestones set out in the Strategy is the responsibility of the Sustainability Team.

11.3. The Design Standards and Innovation Group will be responsible for overseeing the development of revised sustainability standards for new build developments and the design of any retrofit projects.

- 11.4. The Business Change Board (linked to the Project Management office) will oversee major change projects for the Group.
- 11.5. Our Voice (our colleague consultation group) will form an integral part of our engagement and communications with colleagues.
- 11.6. As a cross-cutting Strategy, all parts of the organisation will be expected to contribute to its success.

APPENDIX 1: ACTION PLAN and MILESTONES

| MILESTONE | | | DATE | | | | |
|------------------------|-----------------------------------------------------------------------------------------------------------------|---------------------------------------------------|---------|---------|---------|---------|---------|
| | | Delivered by | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
| OUR HOMES | | | | | | | |
| Existing Homes | | | | | | | |
| Enhance our asset data | Asset data programme commences | Sustainability, Asset Management, Data Governance | • | | | | |
| | Clean up of all energy related property data on Promaster, QL and CROHM (linked to Spotlight programme) | Sustainability, Asset Management, Data Governance | • | • | | | |
| | Creation of new sustainability fields in relevant systems to aid data capture | Sustainability, Asset Management, Data Governance | • | • | | | |
| | Identify data gaps and implement data collection processes | Sustainability, Asset Management, Data Governance | • | • | | | |
| | Update relevant data fields following completion of Spotlight programme and migration of data to target systems | Sustainability, Asset Management, Data Governance | | • | • | | |
| | Asset data programme concludes | Sustainability, Asset Management, Data Governance | | | • | | |

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|-----------------------------------------------------------------------------|----------------------------------------------------------------------------|------------------------------------------------------------|---|---|---|---|---|
| Create a revised asset appraisal methodology | Revised asset appraisal methodology developed | Asset Management | • | • | | | |
| | Revised asset appraisal methodology rolled out | Asset Management | | • | • | | |
| Understanding our key property archetypes and developing retrofit solutions | Data analysis to establish property archetypes for all of Catalyst's stock | Asset Management | • | • | | | |
| | Development of retrofit solutions tailored to each property archetype | Sustainability, Asset Management | | • | • | | |
| Running pilot projects and developing a retrofit programme | Retrofit pilots scoped and costed | Sustainability, Asset Management | | | • | • | |
| | Retrofit pilots delivered | Sustainability, Asset Management | | | | • | • |
| | Retrofit strategy costed and developed | Sustainability, Asset Management | | | | • | • |
| | Preparations for retrofit strategy roll out (contracts and procurement). | Sustainability, Asset Management, Procurement | | | | | • |
| Trialling new low carbon, renewable and innovative technologies | Selection of suitable technologies to be tested | Sustainability, Asset Management, Procurement, Development | • | • | | | |

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|-------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|---|---|---|---|---|
| | Roll out and testing | Sustainability, Asset Management, Development | | | • | • | • |
| New Build | | | | | | | |
| Define our sustainability standard for new homes | Define sustainability standard for new homes | Development | • | | | | |
| | Roll out of sustainability standard on all new build schemes | Development | | • | • | • | • |
| Monitor the sustainability performance of new build schemes | Establish post- construction performance review strategy | Development | • | • | | | |
| | Annual post-construction performance reviews commence | Development, Sustainability | | | • | • | • |
| Develop exemplar zero carbon development | Identify opportunities to deliver best practice zero carbon development | Development | • | • | | | |
| | Deliver zero carbon development | Development | | | • | • | |
| | Evaluate zero carbon development | Sustainability, Development | | | | | • |
| OUR COMMUNITIES | | | | | | | |
| Support our customers to reduce their environmental impact | Consultation with customers – <ul style="list-style-type: none"> • contact resident groups • article in magazine • arrange meetings • gather feedback | Sustainability, Housing Management, Gateway | • | • | | | |

| | | | | | | | |
|------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|---|---|---|---|---|
| | Identify potential projects and initiatives | Sustainability, Housing Management, Gateway | | • | • | | |
| | Programme of environmental projects and community initiatives developed | Sustainability, Housing Management, Gateway | | • | • | • | • |
| Reduce fuel poverty | Partnerships developed to support customers with their energy bills | Sustainability, Gateway, Income Team | • | • | • | • | • |
| | Review of district heating arrangements and implementation of changes | Sustainability, Gateway, Income Team | • | • | • | | |
| Maximise our land and green spaces | Biodiversity and green space action plan developed <ul style="list-style-type: none"> • Carry out green asset survey • Undertake gap analysis | Sustainability, Estates Services | | • | • | | |
| | Biodiversity and green space action plan implemented <ul style="list-style-type: none"> • Identify priorities • Deliver initiatives | Sustainability, Estates Services | | | | • | • |
| Communicate with our customers | Creation and roll out of sustainability communications for customers, including improved home user guides and new technology advice guides | Housing Management, Communications, Sustainability | | • | • | • | • |

OUR BUSINESS

| | | | | | | | |
|----------------------------------------------------------|-------------------------------------------------------------------------------------------------|----------------------------------------------------------------|---------------|---|---|---|---|
| Integrate our approach to environmental management | Integration of sustainability and asset data across the London and Counties region | Asset Management, Sustainability (part of Spotlight programme) | • | • | | | |
| | Single approach developed for environmental management across the Group | Sustainability | • | • | | | |
| | Revised environmental management model implemented | Sustainability | | | • | • | |
| Access competitive, low-interest green finance | Access competitive, low-interest green finance | Treasury | (As required) | | | | |
| Build internal sustainability capacity and knowledge | Recruitment of specialised roles | Sustainability, Asset Management, Development | • | • | | | |
| | Development of business case for future expansion (based on efficiency savings made) | Sustainability | | | • | • | • |
| Develop our customer services and repairs infrastructure | Customer services and repairs infrastructure developed to support the future retrofit programme | Repairs Team, Customer Services | | | • | • | |
| | Implementation of any required changes to customer services and repairs infrastructure | Repairs Team, Customer Services | | | | • | • |

| | | | | | | | |
|-----------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|---|---|---|---|---|
| Reduce our transport-related carbon emissions | Sustainable transport action plan developed for workplaces <ul style="list-style-type: none"> Write survey report and prioritise recommendations | Sustainability, Workplace Management | | • | • | | |
| | Sustainable transport action plan for offices implemented | Sustainability, Workplace Management | | | • | • | |
| Maximise resource efficiency and waste reduction | Review of resource management arrangements (energy, water and waste) across the Group | Sustainability, Workplace Management | • | • | | | |
| | Revised resource management model implemented | Sustainability, Workplace Management | | • | • | | |
| Work with colleagues in the delivery of our sustainability objectives | Creation and roll out of sustainability communications for colleagues | Sustainability, Communications, Our Voice | • | • | • | • | • |
| | Development of Green Champion programme <ul style="list-style-type: none"> Set out purpose and create terms of reference Identify key participants Promote through intranet | Sustainability, Our Voice | • | • | | | |
| | Green Champion programme rolled out | Sustainability, Our Voice | | • | • | | |
| Publicity and promotion | Development of PR and communications plan to cover the duration of the Strategy | Communications | • | | | | |

MONITORING AND EVALUATION

| | | | | | | | |
|---------------------------|-----------------------------------------------------------------------------------------------|--------------------------------------------------------------------|---|---|---|---|---|
| Carbon | Consultancy advice on carbon footprint calculation and targets | Sustainability | • | | | | |
| ESG | Development of monitoring methods for Ritterwald's pan-European Certified Sustainable Housing | Treasury, Sustainability | • | | | | |
| | Achieve Ritterwald's pan-European Certified Sustainable Housing | Treasury, Sustainability | | • | | | |
| Other metrics and targets | Development of other metrics and targets once baseline integration achieved | Sustainability, Asset Management, Development, Executive Committee | | | • | • | • |