



# one home one planet

## Sustainability Strategy 2022 – 2030

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# Overview

I'm proud to be able to launch Notting Hill Genesis's new sustainability strategy, which reflects our ambitions to become a truly sustainable housing association. The strategy consists of 21 objectives that span our entire business and represents an important step along our journey to becoming more sustainable.

Covid and the global energy crisis have brought into sharp relief the world's ongoing challenges. We know our residents, supply chain and business will be impacted by today's big issues, including the climate emergency and ecological crisis, whether through higher commodity costs or climate impacts such as heatwaves and flooding.

At the same time, we believe we can provide a better day-to-day quality of life for our residents by making our homes more energy efficient and enhancing our green spaces, so they provide areas for people to enjoy and for nature to thrive.

In developing this strategy, we captured the views and priorities of more than 1,700 residents through our online survey. Following that, we carried out in-depth engagement with a smaller group of 21 residents to explore the priorities in more detail.

These engagement activities set us several challenges: to understand environmental issues through the lens of our residents' immediate lives, to develop solutions that are tailored to the needs of individual communities, and to work in partnership with local organisations, including community groups, to collectively solve problems and scale up solutions.

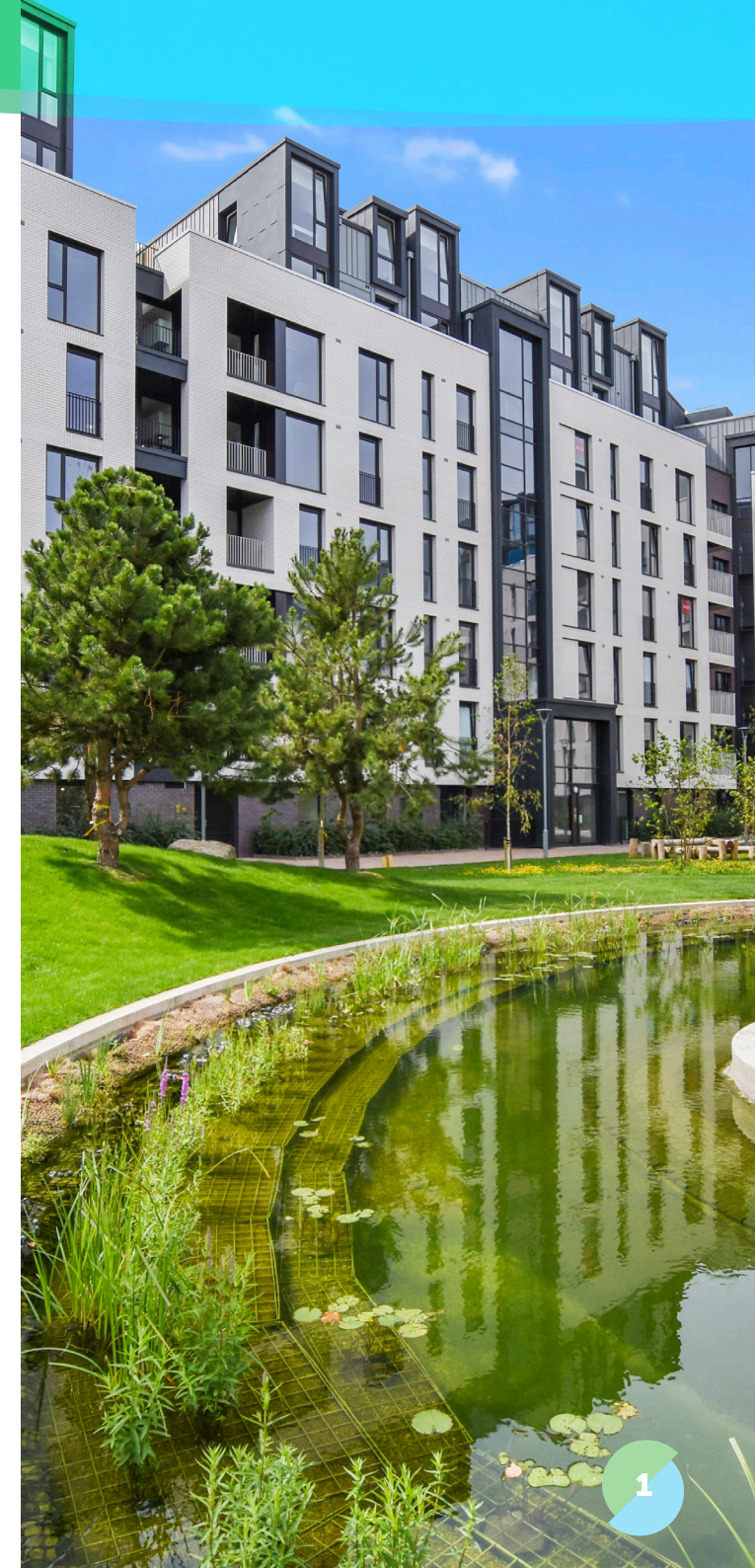
With that in mind, and considering our wider environmental impacts, our sustainability strategy sets out four priority areas. Together, those priorities collectively describe our vision for what our homes, green spaces and business will look like in 2030 and beyond.

We know we cannot deliver the scale of change needed without the strong support and participation of our residents, supply chain and key partners. That is why, through this strategy, we have restated our commitment to engage with residents, and build partnerships to deliver sector-wide change.

We would like to thank our residents for their active involvement in shaping this strategy. Their engagement and collaboration is just the start of what is needed and will be a critical part of our sustainability journey going forward.

**Elly Hoult**

Group Director of Assets and Sustainability



# Introduction and approach

More than 1,700 residents communicated their priorities, wants and attitudes to sustainability through an online survey, with a further 21 residents committing four hours of their time to provide more detailed thoughts and views over two workshop sessions.

## Engagement

While our aim was to ensure that residents' needs and expectations help define the strategy, we have also been informed by the insights of other stakeholders, including our staff, suppliers, and business leaders across our organisation.

## Evidence base

To develop an evidence base for the strategy, we commissioned a carbon footprint assessment covering our [scope 1, 2 and partial scope 3 emissions](#) for our business activities and housing. As well as providing a baseline of our carbon emissions, the report offers a basis on which to plan a future trajectory for CO<sub>2</sub> emission reductions from our homes and business activities so we can meet the UK net zero target.

We recognise our evidence base is not fixed, and that we need better business processes and data to understand our environmental impacts right across our value chain. For many of our goals, the initial focus is to improve data on our environmental performance to enable us to effectively plan and invest in improvements to our homes.



**Green house gases (also known as 'emissions')**: Gases which get trapped in the atmosphere resulting in increasing global average temperatures. The primary greenhouse gases include carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), and nitrous oxide N<sub>2</sub>O, and are emitted predominantly from human activities such as burning fossil fuels and agriculture.

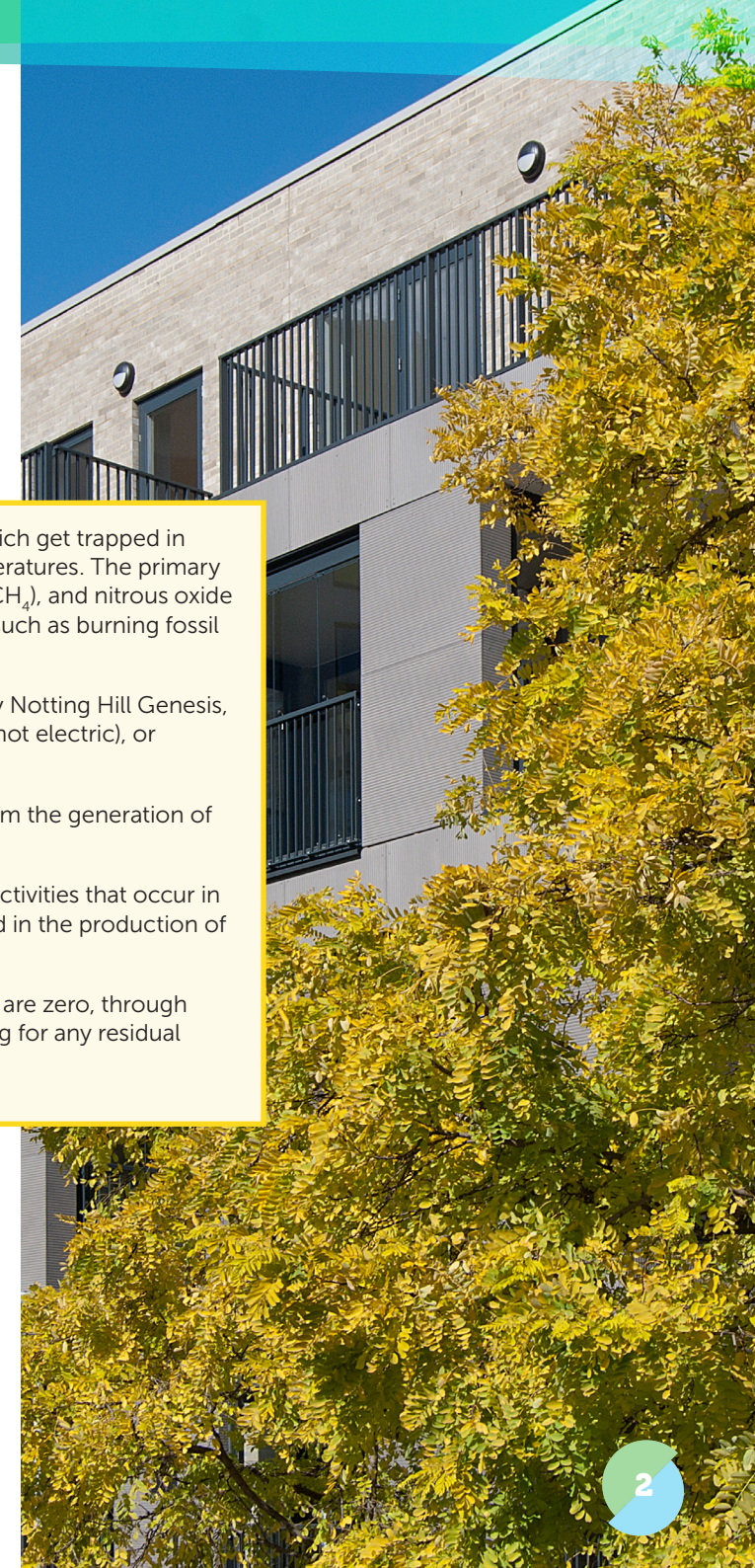
**Scope 1 emissions**: Emissions that are controlled directly by Notting Hill Genesis, for example, burning fuel in our fleet of vehicles (if they are not electric), or electricity used to power our buildings

**Scope 2 emissions**: Emissions that are created indirectly from the generation of electricity and/or heat we purchase.

**Scope 3 emissions**: Emissions that are produced from the activities that occur in our supply chain. An example of this is the emissions created in the production of materials we buy for the construction of new homes.

**Net zero carbon**: The point when overall carbon emissions are zero, through prioritising emissions reductions first and then compensating for any residual emissions through offsetting activities.

As our evidence base evolves, we will gain new learning that will enable us to set more detailed, concrete targets across a range of issues. As such, several objectives in the strategy include commitments to develop baselines and then continually monitor progress towards targets.



## Our priority areas for sustainability

Our engagement exercises, emerging evidence base and wider corporate priorities have helped determine the importance of sustainability issues for Notting Hill Genesis. Through the process, we've identified four clearly defined priority areas that form our sustainability framework.

Under each priority area in the strategy, we have:

- A goal or goals which set out what our homes, green spaces and business could look like by 2030
- Measurable objectives for 2030, which are needed to achieve our goals

The strategy sets our direction of travel and is not intended to be a detailed delivery plan. In autumn 2022, we'll start developing an action plan working

with key staff from across the organisation that sets out in more detail how we will achieve each objective.

Across many of the objectives, we are not starting from scratch, and there are a variety of projects already underway to support the journey towards our goals. Key information on our environmental performance can be found in our environmental, social and governance report.

We anticipate future iterations of the strategy, and we will need to embed processes to address evolving risks and opportunities, as well as the changing needs of our residents and the communities we work in. We've set out our proposals for governance arrangements in section four of this strategy to help ensure our ambitions and objectives remain relevant.



### **Warm, comfortable, low carbon homes:**

ensuring all our residents live in homes that are warm, comfortable and energy efficient by retrofitting and building them to become net zero carbon and resilient to a changing climate



**Using resources sustainably:** responsible buying of goods and services, alongside working towards being a zero waste organisation by 2050



### **Enhancing green spaces for nature and people:**

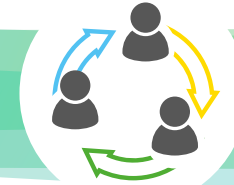
restoring and enhancing these spaces to maximise benefits for people and nature, and to provide inclusive and welcoming areas for people to enjoy and wildlife to thrive



**Net zero carbon:** achieving net zero carbon for our own business operations by 2035, and net zero carbon for our homes and supply chain by 2050

## Core principles

Our strategy is supported by several cross-cutting principles. These will underpin our approach to delivering our sustainability strategy and help enable the right conditions for change.



### *1. Engagement, communication and putting our residents at the heart of what we do*

The transformation of our homes, green spaces and services will only be possible with the involvement and support of our residents, suppliers and partners across the sector. If there's a defining element of our strategy, we want it to be engagement with everyone we work with.

Technology and funding solutions will be an important part of our journey, but just as important is the need to communicate why we need to change and the benefits of doing so.

Over the period of the strategy, we need to bring the ideas and views of our residents and communities into decision-making processes, making sure the changes we plan and implement work well for local areas. We'll continue to have an open dialogue and engage with residents and key partners over the coming years.

### *2. Evidence based*

We need to build a robust evidence base to understand how we are performing across a variety of sustainability issues, and to develop and monitor targets, recognising our responsibility to act on environmental issues, particularly on carbon emissions. Where possible, we want to standardise our approach to collecting and measuring data and work with our housing association peers to find common performance metrics for the sector.

### *3. Collaboration and partnership working*

Meeting the short to medium-term objectives in our strategy will require a step change in terms of scale and pace of action. At the same time, we recognise that many of the issues we face can only be solved collectively, working together with other housing associations, residential development peers and other key partners in the sector.

Through the strategy, we will make a concerted effort to help develop sector-wide solutions by being part of industry consortia or investing our time and resources into cross-sector research projects that support wider change. Where relevant, we will share and publish insights to contribute to an open environment where we can all learn.

# Warm, comfortable, low carbon homes



**2030 Goal:** All our residents live in homes that are warm, comfortable, energy efficient, and more **resilient** to a changing climate

Our residents are clear – making their homes more energy efficient, so they use less energy, and are warm and comfortable is a top priority.

The homes we own and manage are responsible for 130,000 tonnes of CO<sub>2</sub> emissions a year, making these our largest source of emissions. Most energy used in homes is for heat, and in a large proportion of our homes, this is through gas powered systems. At least 90% of our homes use gas for heating with about 10% using electricity (including storage heating). Of the 90% of homes that use gas, 25% (17,000) are connected to heat networks powered by large, communal gas boilers.

Previous insulation programmes that focused on basic measures, such as cavity wall insulation, have helped reduce energy use in homes, but to meet zero carbon we know we need to drive deeper improvements in insulation and eventually switch away from gas boilers to heating systems that use renewable energy and/or carbon neutral electricity.

## Our strategy

Our journey for decarbonising homes must focus on creating the right conditions for comfort in our homes. That means better air quality, improved ventilation, and thermal comfort.

Over the next eight years, we'll focus on installing a range of insulation measures (such as wall, loft and underfloor insulation and more efficient glazing) alongside ventilation improvements to deliver deeper reductions in CO<sub>2</sub> emissions at the same time as improving the comfort of homes for our residents.

These steps will be important precursors to eventually switching away from fossil fuel heating towards other kinds of heating powered by renewable energy so that we can become fully zero carbon. We'll start to develop and install

low carbon heating into some of our electrically heated estates over the period of this strategy so we are ready for a wider roll-out of low carbon heat by 2030 and beyond.

## Heat networks

Our heat networks offer a unique opportunity to transition to low carbon heat, by replacing central heat sources, such as communal gas boilers, with alternative low carbon heat sources such as heat pumps. To be effective, heat networks need to be efficient and cost effective for our residents. Between now and 2030, we will continually optimise the performance of our heat networks through a dedicated efficiency programme so they are ready for integration to low carbon technology after 2030.

## Our new homes

Our new homes are built to high energy efficiency standards, with 98% achieving an energy performance certificate (EPC) B rating in the year ending March 2021. We know we need to drive further improvements to ensure that homes built now can become net zero in the future with little or no changes. To achieve this, we'll ensure that all new homes being designed are **net zero compatible** by 2025.

**i Resilient (also known as 'climate resilient')**: The degree to which a system is able to survive, adapt and recover from shocks.

**i Net zero carbon compatible home:** A home that is future proofed with low carbon heating and world leading levels of energy efficiency. No further retrofit work needs to be undertaken to enable them to become zero carbon as the electricity grid continues to decarbonise.

## Retrofit

**2030 Objective 1:** We will design and deliver a programme to improve the energy performance of our homes to ensure that all rented homes achieve an energy performance certificate rating (EPC) of band C, and all commercially rented properties achieve an EPC B by 2030. Our strategy will set out annual targets for achieving this, which will be measured and reported from 2023 onwards.

**2030 Objective 2:** Individual, low carbon electric heating systems will be installed in at least 1,000 homes that have been well insulated to support the phase-out of gas heating in our homes.

**2030 Objective 3:** By the end of 2023, we will launch a consistent resident engagement process, developed with our residents, for energy efficiency works. This will include demonstrators, various educational materials, and advice initiatives.

## Heat networks

**2030 Objective 4:** We will optimise the energy efficiency of the district heat networks we own and operate so they are ready for integration with low carbon heat sources by 2030. By the end of 2022, we will have delivered energy efficiency improvements to at least four heat networks, as well as optimisation studies across a further six to understand opportunities for future decarbonisation.

**2030 Objective 5:** We will specify and deliver best practice standards for the operational performance of new heat networks, which will include requirements for additional performance checks before new residents move in.

## Adaptation

**2030 Objective 6:** In 2023 we will set out an approach to embedding climate change adaptation into [retrofit](#) and the design of new homes, and roll this out from 2023 onwards in alignment with our retrofit programme.

**i** **Retrofit:** Adding or upgrading components of a building to improve its performance. This typically includes adding insulation, upgrading windows and other aspects of the building shell, upgrading or replacing the heating system and lighting/appliances.

## Low-carbon new homes

**2030 Objective 7:** All new homes will provide comfortable and healthy internal environments for residents. We will identify and implement robust and effective strategies for air quality, noise conditions, and thermal comfort in warm weather.

**2030 Objective 8:** We will maintain our target of a minimum EPC rating of B for all new homes. By the start of the 2023/24 financial year, we will set an EPC target higher than the minimum score of 81 that is required to achieve EPC B.

**2030 Objective 9:** By 2025, all new homes will be designed to be net zero carbon compatible in readiness for the government's Net Zero 2050 strategy. Measures for achieving net zero carbon will be selected and implemented with a focus on the interests of our residents – for example, energy bills.

## Fuel poverty

**2030 Objective 10:** We will continue to expand and develop our Resident Support Programme, ensuring this is integrated with our retrofit work to maximise the uptake of support available to residents. This will include working with our external partners such as Green Doctors, South London Healthy homes and Pocket Power who provide bill switching and grant support.

# Enhancing green spaces and nature



**2030 Goal:** Our green spaces are protected, restored and enhanced, providing welcoming, inclusive areas for people to enjoy and for nature to thrive

Our residents have told us we should do more to facilitate resident-led management and transformation of our local environments, and that we should use our significant presence in some areas to join up community initiatives. Over the period of this strategy, we will renew our efforts to explore different models for resident-led management of green spaces, and embed these into our operational model.

## Our strategy

Over the next few years, we will adopt a conservation-led approach across the green spaces we manage. We will explore opportunities to decrease high intensity, high cost maintenance tasks, such as regular grass cutting, with more cost-effective and nature-friendly maintenance approaches that encourage naturalisation of areas of green space. Changes to planting and

maintenance must be sensitive to local areas and designed with input from residents to ensure the best outcomes for communities and nature.

To maximise the ecological potential of our green spaces, we will work with an ecologist to implement nature enhancements in at least seven locations over the next two years, in partnership with residents and other local organisations. We'll baseline the biodiversity at each site and conduct surveys to evaluate progress so we can set future targets on improving biodiversity across our existing estates. Once complete, we will roll out learnings across more of our estates from 2025.

On new developments, we'll set ever increasing targets to improve biodiversity, starting with a minimum target of 10% [biodiversity net gain](#).

**i Biodiversity net gain (BNG):** An approach to development, and/or land management that aims to leave the natural environment in a measurably better state than it was beforehand.

**2030 Objective 1:** By the end of 2023, we will measure and quantify our green spaces (as well as green assets such as trees and planting within these) to help develop our approach to managing green spaces.

**2030 Objective 2:** By 2024, in at least seven locations, we will work with an ecologist, residents and local organisations to implement different nature enhancements in green spaces around our estates. We'll build on our insights and roll out improvements in further locations by 2025.

**2030 Objective 3:** Over the next two years, we will embed a conservation-led approach to managing green spaces in our new landscaping contracts and create opportunities for residents to be involved in the development of local green space management plans.

**2030 Objective 4:** We will provide good quality green spaces for residents and enhance biodiversity on all new developments. We will target improvements on the minimum standard of 10% biodiversity net gain where possible, and seek to consistently improve on this target over time.



# Using resources sustainably



**2030 Goal:** Notting Hill Genesis is on a path to becoming a **zero waste** organisation by 2050. By 2030, circular economy principles will be fully embedded in our contracts, with reuse and recycling prioritised

Corporate performance on environmental issues is under closer scrutiny and our investors and residents all demand greater transparency on our business impacts. At the same time, we can deliver higher performing, more efficient services by embedding sustainability in our business activities.

Over the next eight years, we will need to make greater strides to reduce the waste we produce and send to landfill by setting ambitious targets for our own operations, and improving waste and

recycling services for our residents living in flats. Our residents have expressed an interest in being part of a future **circular economy** and we can actively support this through partnerships with local repair and reuse initiatives.

**i Circular economy:** An economy that reduces material use, redesigns materials to be less resource intensive, and recaptures "waste" as a resource to manufacture new materials and products.

## Our strategy

We recognise that our own corporate environmental impact on issues such as waste is dwarfed by that of our suppliers, so we need to influence our supply chain where we can. We will set new sustainability reporting requirements starting with our top 20 suppliers, focusing on procurement from sustainable sources, increasing recycling and re-use and reducing carbon emissions.

Our sustainable procurement statement will ensure new contracts have Notting Hill Genesis's sustainability requirements included in the specification, and that suppliers monitor their environmental impacts. Over time, we'll increase our level of ambition and work with our suppliers

to ensure that circular economy principles are fully embedded in contracts.

**2030 Objective 1:** We will measure and baseline impacts of our construction, maintenance and refurbishment activities in relation to carbon emissions, water use, waste and sustainable materials. Once we have baselines, we will start to set targets in 2023 to reduce the impacts of our activities in these areas year on year with the target of sending zero waste to landfill by 2030.

**2030 Objective 2:** We will develop a sustainable procurement statement that focuses on reducing waste and carbon emissions, and increasing the use of products from sustainable and responsible sources. We will review our sustainable procurement statement annually to ensure that by 2030, most of our products are sustainably sourced and circular economy principles can be adopted in most contracts.

**2030 Objective 3:** We'll maintain zero waste to landfill in our offices and set ambitious targets for reducing total waste produced and increasing recycling by 2023.

**2030 Objective 4:** We will improve recycling and reuse services for our residents living in flats to support the Mayor of London's target of 65% recycling by 2030. We'll start by trialling interventions across four estates to increase service provision, working with local re-use organisations to provide a greater range of services and develop new communication approaches.

**i Zero waste:** A set of principles focused on waste prevention that encourages the reuse of products. The goal is for no materials to be sent to landfills or incinerators.

# Net zero carbon



**2030 Goal:** We will achieve net zero carbon emissions for our business operations by 2035, and net zero carbon for our homes and supply chain by 2050



We know that for the world to stay within a safe limit of global warming, every sector and business needs to cut emissions, including us.

Our main sources of CO<sub>2</sub> emissions are our existing homes, the construction of new homes, and our office buildings and operations. We estimate our total emissions per year at 201,000 tonnes of CO<sub>2</sub>e.

On climate change, we will accelerate our work to reduce greenhouse gas emissions across our activities so that we become a truly low carbon business.

## Our strategy

As a starting point, we've worked with the Carbon Trust to report on our scope 1, 2 and most of our scope 3 carbon emissions. This includes emissions we control from the gas and electricity used for communal heating and lighting, as

well as emissions indirectly associated with our business such as, the embodied carbon emissions produced by our contractors in the construction of new homes.

Over the period of this strategy, we'll explore developing **science-based targets** for our main areas of operation and produce a roadmap for reducing emissions for our own business activities, homes and wider supply chain.

**i Science-based targets:** Targets that align with what the latest climate science deems necessary to meet the goals of the Paris Agreement – limiting global warming to well-below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C.

For our own business, we'll seek to meet an earlier net zero target by at least 2035, through reducing energy demand in our offices and increasing our use of low and zero carbon technologies. We've already made progress towards this target by electrifying our corporate vehicle fleet, and purchasing electricity from renewable sources.

While we can take immediate steps to reduce our own emissions, we also recognise that our supply chain, including the construction of new homes, represents a significant portion of our

indirect emissions. On that basis, we will work in collaboration with partners in the sector to develop approaches to assessing and then reducing these emissions in the future.

**2030 Objective 1:** By the end of 2022, we will baseline our scope 1, 2 and relevant scope 3 greenhouse gas emissions, and by the end of 2024 set targets to reduce our emissions year on year. We will explore setting targets in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement – limiting global warming to well below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C. We will publish our delivery roadmap to achieve our emission reductions with clear targets across each of the three scopes and continue to track progress across the baseline each year.

**2030 Objective 2:** By the end of 2023, we will roll-out a carbon emission reporting tool, starting with our top 20 contractors to streamline reporting and improve visibility of our emissions across our supply chain. By 2025 we will roll the tool out across our entire supply chain.

**2030 Objective 3:** By the end of 2023, we will develop a methodology for measuring and reporting on embodied carbon across our development programme to enable us to develop strategies for setting targets and reducing embodied carbon in future years. This project will be rolled out on new developments with more than 150 homes initially, with a view to expanding our approach across our entire development pipeline by 2025.



# Governance and performance monitoring

## Reporting and assurance

Every year our sustainability objectives and targets will be developed and refined to ensure they continue to address our main risks and deliver social and environmental benefits. We intend to meet regularly with teams, directors, advisory groups and residents to deliver this, ensuring we consult groups with a diversity of skills and experience.

Progress against our goals will be reported annually through our environmental, social and governance (ESG) report, and several of our sustainability goals will have corporate key performance indicators. We will make sure that our ESG report aligns with the sustainability reporting standard for social housing so there is a common framework against which to measure progress with our peers.

Going forward, we will explore ways of obtaining better data and independent certification on our environmental impacts, including our carbon emissions, so we can provide greater levels of assurance across our strategy.

## Governance

In 2023 we'll introduce a new internal sustainability working group to help manage delivery of the

strategy and associated risks. That group will be responsible for ensuring the strategy delivers its intended outcomes, with members supporting its implementation and delivering change in their respective parts of the business.

## Embedding our sustainability strategy

The assets and sustainability directorate has oversight of the strategy and its delivery and will co-ordinate action across the business, measure progress and help produce the annual ESG report.

Our head of sustainability will oversee the coordination of our sustainability strategy, working with the group director of assets and sustainability, the future sustainability group, and key individuals across the business who will help deliver actions at an operational level. Given the holistic nature of the strategy, most departments will be contributing to its delivery, and many will have specific objectives and performance targets incorporated in their business plans.

We want to make our environmental sustainability programme as visible as possible to help colleagues and residents understand what is being done, why we're doing it, and how. Throughout the delivery of the strategy, we will continually engage and communicate with colleagues, residents and key partners.

## Funding

Our analysis shows that the cost of improving all our homes to EPC C is around £30 million. We anticipate the majority of funding for improving our homes will be produced from the long-term financial plan, but will continue to seek as much

funding as possible from other external sources, such as the government's social decarbonisation fund. The next round for that fund, due to open in autumn 2022, has £700 million available to support social landlords' decarbonisation plans and provides an excellent opportunity for us to accelerate our retrofit programme.

We recognise that our leaseholders need to be supported with the right tools and advice to make a difference in their own homes. As part of our retrofit plans, we'll explore options for supporting leaseholders, whether this is through advice initiatives, information sharing, or help accessing grants that might be available.

There are multiple funding streams available for improving green spaces, but these are often short term with different areas of focus and criteria. We need to develop robust proposals for our green spaces, working with our residents, to have a better chance of being successful, and our sustainability strategy should support this. We anticipate that some approaches to improving nature habitats, such as naturalisation of our green spaces, will be cost neutral or lower cost in the long run.

For energy improvements to our offices and other corporate areas, there are opportunities to use monetary savings earned through energy efficiency improvements to fund lower cost measures, through an invest-to-save type approach.

All funding options will be fully explored in our delivery planning.



# one home one planet

Sustainability Strategy  
2022 – 2030

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